104

TONGASS TRANSFER AND TRANSITION ACT

Y 4.R 31/3:104-91

Tongass Transfer and Transition Act...

RINGS

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COMMITTEE ON RESOURCES
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

ON

H.R. 2413

A BILL TO TRANSFER THE TONGASS NATIONAL FOREST TO THE STATE OF ALASKA

JULY 3, 1996—SITKA, AK
JULY 5, 1996—THORNE BAY, AK

Serial No. 104–91

Printed for the use of the Committee on Resources

DEPOSITORY

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TONGASS TRANSFER AND TRANSITION ACT

WEDNESDAY, JULY 3, 1996

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Sitka, AK.

The Committee met, pursuant to call, at 10:00 a.m. in the Centennial Building, Sitka, Alaska, Hon. Don Young (Chairman of the Committee) presiding.

STATEMENT OF THE HON. DON YOUNG, A U.S. REPRESENTATIVE FROM ALASKA; AND CHAIRMAN, COMMITTEE ON RESOURCES

The CHAIRMAN. Welcome to the third hearing of the House Committee on Resources about the Tongass Transfer and Transition Act. I want to thank all of you for coming, especially the witnesses.

Summer is a tough time for people to spare an hour to contribute in Congressional field hearings like this. I really appreciate everyone's effort today. Most of you must feel as though we have been through this wringer on the Tongass issue many, many times. You have been asked again to come and talk about the future of the forest that you and 75,000 other Alaskans call home. But this hearing about the Tongass is different.

This is a hearing not about how the Federal Government should manage the Tongass. This hearing is about whether Alaskans, through our State government, want the option—I want to stress the option—to own and manage the Tongass. This hearing is about whether our State might do a better job managing the Tongass without the Federal Government calling the shots from Washington, D.C.

Do Alaskans want to control their future in Southeast or should our future be left to political appointees who reside thousands of miles from the results of their decisions? That is the question.

I stress: This hearing is not about the level of recreation, tourism, fishing, or timber harvesting that should occur in the Tongass or around Sitka; this hearing is about where control of the Tongass should rest and whether you want the option to put control in State hands.

We are not here to discuss whether Sitkans agree on the Poison Cove timber sale or any other timber sale. We are not here to discuss whether Sitkans want clearcutting on the Tongass or whether Sitkans want any timber industry at all.

Do not get me wrong. These issues are important. In my view, they are too important for the Federal Government to tackle.

Under my bill, Alaskans would have a chance to resolve them right here in Southeast—without the shadow of Federal Government.

Too many times the hand of the Federal Government in Washington, D.C., has interfered with the lives of the people in the Tongass.

The Alaska Pulp contract cancellation is a prime example. We know now that three letters were drafted on the APC contract issue. One granted an extension, another gave more time to get the mill converted, and a third canceled the contract. Washington, D.C., political appointees gave the order to sign the third letter that canceled the contract. The Forest Service in Alaska was not involved. That decision cost Alaskans 42 percent of our timber jobs and Federal taxpayers a billion dollars to compensate for damages.

Washington, D.C., also made the decision to pass the Tongass Reform Act of 1990. I opposed that bill because I knew that it would hurt Alaskans. Not only did that Act add 1 million acres of wilderness, but it forced changes of the APC and KPC timber contracts. That arrogant political decision will cost taxpayers 1 billion dollars. Just yesterday, or day before yesterday, the U.S. Supreme Court said the government cannot go around changing contracts willy-nilly, then claim a defense of sovereign immunity, which was precisely the government's defense on the Tongass Timber Reform Act contract changes. The court said if the Federal Government changes contracts, then the Federal Government—you, the taxpayer—must pay for the taking under the 5th Amendment.

Those are some of the big Federal decisions that cloud the lives of people that live in Southeast Alaska. But some of the small decisions hurt the most. Take the brilliant decision of the Forest Service to require outfitter-guide special-use permits for commercial taxicabs visiting the Mendenhall Glacier in Juneau. I do not know whose idea that was. Or imagine the Forest Service gun-toting law enforcement officer who reports directly to Washington, D.C.—not even the local Forest Service—arresting four Alaskans for using a cabin during the Federal shutdown, not even reporting to the local boss.

Now, some of you—and I know I look outside—and I may disagree on TTRA or APC or other Federal Forest Service issues, but as Alaskans we should agree on the bill we are here to discuss today. It puts more power and control over the Tongass decisions in the hands of Alaskans. Whether you are an environmentalist, conservationist, biologist, or timber worker, you all get more control. I introduced my bill because I trust Alaskans to make decisions about the Tongass without Federal help. Federal decisions have crushed people and changed lives in communities like Sitka. Southeast Alaska needs family-wage jobs, but the Federal system is paralyzed over wildlife questions that seem to have no answer, nor are they really seeking answers. I want to talk about the archipelago wolf going extinct 150 years from now due to the habitat shortages caused by timber harvests when less than 10 percent of the Tongass will ever be harvested. Think about it: Less that 10 percent of the total Tongass. The State bag limit on wolves is five, and yet they are saying you cannot harvest trees. Do we, as Alaskans, want the choice to control our future in Congress? Do we really want the Federal Government to control our lands? In fact,

whoever gave, in our Constitution, the right for the Federal Government to own land? I asked these questions in my legislation. I have read through the testimony of those that will testify saying this bill has not got a chance. I ask this question: When is it wrong to discuss a different concept? When should we always be stuck with what we have today? Is it right that the Federal Government can tell us what to do? Not under my interpretation of the Constitution, nor my interpretation of what America is about. I believe we have the right, as a State, to control our own destiny, not somebody from Washington, D.C.—especially not a political appointee. As I walked in today, I noticed people outside with picket signs, and all I can say is they spelled my name correctly, and for that I am proud.

With that, we will open the first witnesses. The first witness is the Honorable Pete Hallgren, Mayor of the City and Borough of Sitka; Mr. Keith, Perkins, son of my good friend Ray Perkins, and may he be resting well; Mr. Stan Filler, Sitka, Alaska.

Gentlemen, I know this is the day before the 4th of July, but we are and will limit the time, but it is at my discretion. The lights will be green, and you will have approximately five minutes to make your oral testimony, and then at that time if I see, in discretion, you are doing a great job, I may not rap the gavel, but ordinarily we keep this to a short period of time.

At the end of everybody's testimony in one panel, there will be questions asked each individual, and we will go in the order which I identified the witnesses. The Mayor, Mr. Pete Hallgren, you are up first.

STATEMENT OF PETE HALLGREN, MAYOR, CITY AND BOROUGH OF SITKA, ALASKA

Mr. HALLGREN. Thank you. As Mayor of the City and Borough of Sitka, I wish to officially welcome Congressman Don Young and the Committee on Resources to Sitka, and I hope that you will join me tomorrow in our 4th of July festivities to celebrate the 220th anniversary of our nation's independence from unresponsive, absentee government.

I appreciate this opportunity to comment on H.R. 2413. Since our Municipal Assembly has not yet discussed this bill, the following thoughts are my personal ideas. It is my belief that Sitka public opinion is overwhelmingly in favor of the reestablishment of a much smaller forest products industry in Sitka. Of course, the devil is in the details, such as what type of industry, employment numbers, amount of timber to be used annually, and also where and how it is cut. Inherent in these timber questions are Sitka's desire to maintain its rural lifestyle, including subsistence gathering, protection of the ecology, protection of the commercial and sport fishing, sport hunting, and questions concerning tourism.

The timber issues are thus items of great importance to Sitkans, and yet Sitkans have no decisional say in any of them. Therefore, I applaud your bill as an attempt to bring power back to those most concerned and affected by the decision.

These are questions that are best answered on the most local level attainable. I have witnessed the power struggle between the various factions of big timber and big ecology as they duke it out

in the halls of Congress 3,000 miles away. That conduct consistently serves only the best interests of the airlines and the Washington, D.C., hotels. Passing H.R. 2413 will not solve the disputes within Sitka and within Southeast, but would have a singularly important and ultimately useful impact: When people are truly given some form of decisional voice, rather than just being advisory, they will then come to the table and use their best efforts to reach a solution, rather than continue to posture, as in the past, when they knew their efforts were ultimately meaningless.

I particularly congratulate you on drafting a bill that addresses all the tough issues inherent in transfer of the Tongass, and I applaud your interest in openly discussing these issues so that the bill can be improved. I have included in my written testimony some of my thoughts concerning specific provisions of H.R. 2413, and I would like to use my remaining time to suggest exploration of a slightly less revolutionary idea.

Sitka earlier obtained a $300,000 Federal grant to study "Feasibility Analysis of Alternative Wood-Based Industries." From the draft report, it appears that without some sort of long-term (10 or more years) timber base tied to processing in Sitka, a timber-processing industry is unlikely to locate in our community. This model might also apply to Wrangell.

Sitka is investigating the potential utility of a land-based community stewardship program with the Forest Service, whereby a certain specific area of the Tongass would be reserved to a specific community (Sitka or Wrangell) with much greater community input, including some decisional powers (possibly in partnership with the Forest Service) in such questions as how much cutting, where the cuts would be, and the type of logging desired. Inherent in this concept is also greater community involvement in matters such as subsistence, tourism, fishing, and the other interrelationships we have with the forest. We first initiated exploration of this concept in January when we asked the TLMP process include consideration of a demonstration project tying a timber base to processing in Sitka.

At a meeting last week with the Forest Service, we were unfortunately informed that the current Federal law will not allow allocating Sitka a timber land base nor require that timber be processed in a specific community. Current Federal law allows for no community-based decisional powers concerning the amount of annual cut, where it is to be cut, or how it is to be cut. When speaking of a smaller timber industry than we had with APC, the figures that I tentatively used were 30 to 60 million board feet per year coming to Sitka, supporting a job base of 50 or so people. That employment could go up based on value added, but a sustainable annual cut would need to be available.

A smaller wood-products industry provides a real opportunity for Sitka and has a real chance of attainment. There are problems with this idea. Some would reach that goal by fighting to increase the cut above the preferred alternative in TLMP, feeling that Sitka is in competition with Ketchikan and that there is no wood for us until after Ketchikan's desires. I am convinced that Sitkans will not have much sympathy for Ketchikan until some wood-product industry is re-established here.

My personal hope is that Ketchikan would learn to live with less so that some timber could be shared with Sitka and Wrangell, and that in return Ketchikan would move to a more value-added process and receive a long-term contract extension.

Continuation of a vastly modernized KPC Southeast-wide, log-grade wood-processing facility in Ketchikan, combined with specific land-based community stewardship areas with timber facilities located in traditional timber communities such as Sitka and Wrangell, might form a useful concept with which to try to craft a new long-term Tongass policy.

While H.R. 2413 attempts to address this total lack of local decision making power by giving the Tongass to the State of Alaska, my feeling is that, in the near-term, it would be easier to amend current Federal law to give the necessary decisional powers to Southeast communities to reach a Tongass-wide, long-term stewardship policy, and would allow for continued recognition of the national interest in the national forest, keep the Forest Service intact and allow the reinstitution of forest products jobs in Sitka and Wrangell, modernize and extend Ketchikan, and meet and protect the multiple needs and desires of Southeasterners.

If the Federal Government would finally realize that the local people are at least as responsible and capable as bureaucrats on the other side of the continent, if the people of Southeast could be empowered, we can settle our differences and build a future for our children the entire country can be proud of.

Thank you.

[Personal views of Mr. Hallgren may be found at end of hearing.]

The CHAIRMAN. Thank you, Mr. Mayor, and I will be asking you some questions. Thank you for your testimony, and I hope you have set the agenda about the decision about the decisionmaking process, and that is what this bill is about. I do appreciate your testimony.

The next witness I have is Mr. Perkins, Keith Perkins.

STATEMENT OF KEITH PERKINS

Mr. PERKINS. Mr. Young, thank you for coming to Sitka to hear Sitkans' input and concerns on your proposed legislation affecting the Tongass National Forest. Too often we are left to read newspapers to understand impacts of proposed Federal legislation on our home. I submit my testimony as a lifetime Sitkan and an Alaskan Native. As I have grown up here, I have been fortunate enough to gain enough respect among citizens of this community to serve as one of the elected officials. However, today I submit this with the perspective of a lifetime Sitkan.

A part of your request for testimony is to the issue of how Forest Service policy has affected my life. I would say it has greatly affected this community. There is an untold story in this community of the suffering that some Sitkans are going through right now. With underemployment situations or not jobs at all, there are Sitkans who are hurting. For anyone to state that Sitka is healthy needs to visit some friends of mine and discuss the impact of the mill closure with them. I go past the picture that people would paint of APC being the intimidating big business. I would rather look at the Sitkan who is my neighbor who is hurting. Their story

is untold because they are proud people. They have never had a handout, and they are not about to begin. One young Native person, who is a former mill worker, explained it this way: The last time he checked, the City and Borough would not take ten pounds of deer meat for payment of his utility bill. He needed cash. He wanted a job. He just wanted to have a job so he could pay for his share of the bills of living in today's world and have the self-esteem accorded with that ability. He stated that he did not mean any stern remarks toward his elders, but that today he lives in a cash society and he needs the ability to live within its structure and he did not want welfare handouts. That means jobs. The baseline unemployment in the Native community is 35 percent, based on the Sitka Tribe of Alaska Socio-Economic Health Survey completed in 1993. It has probably gone up since the mill closure.

We have grown to have an inordinate amount of public employment here in Sitka, as well. As the State legislature, Congress, and their respective administrations work to balance budgets, it will also diminish jobs here in Sitka, as well.

Sitka has received an extremely soft landing in the post-mill era. We have received a steady flow of economic recovery moneys from the State, from the Forest Service, and from congressional action, up to and including the Southeast Alaska Economic Disaster Fund. It has kept us moving and, thus, the real impact on Sitkans who have lost their jobs has not yet been told.

The thought of your proposal to transfer the Tongass National Forest to Alaskans and asking us as Sitkans and Alaskans for our thoughts and guidance brings to mind two relevant stories.

One is about the proposed amendment in separate legislation as I saw it reported in your weekly show this last week. The proposed amendment would allow states to tax tribal governments for commerce on tribal lands. You fought this amendment based on the constitutional rights of tribes. You argued that Congress had a constitutional obligation to uphold the treaty rights that were about to be broken by this amendment. You pointed out that the biggest flaw in the amendment was that there was no public testimony allowed on the issue, there was no tribal representative allowed to provide any guidance. Democracy did not work in this case. Tribes were not allowed to give testimony, so there was no public process. Today, we are being allowed to give testimony on this proposed legislation which directly impacts us, and I thank you for that. This legislation that proposes to give the Tongass to Alaskans gives control of the future use of this land back to its people, the people that live here and care about what happens to our homes, and I appreciate that. Too often Sitkans have been affected by congressional legislation wherein we have no way of making our case for what is best for us, those that live here. I ran into a visitor from New York right outside this very room last week. She was inquiring about a local meeting regarding Tongass funds that was taking place, and I explained to her about the appropriation of funds to offset the disaster of the timber industry for this region. I further explained the reason the business community was invited to brainstorm was to provide the elected body of this community some additional thoughts on how to best spend this money, this Southeast Alaska Economic Disaster Fund, to help generate economic and

business development. Her response to that: She was glad the logging was diminishing, as the Tongass forest was being torn by overharvesting. Her bottom line was that she understood that trees are not a renewable resource and that trees do not grow back. I was amazed, and I asked her where she got her information. She stated that friends of hers told her that is why she needed to oppose logging of the Tongass, and she lives in New York. She complied with this thought and had built up a firm belief that the timber industry is destroying the Tongass forest.

She further stated that she advocates to her representatives in Congress to stop the raping of the Tongass.

I asked her to step outside this back door and take a look at the surrounding scenery, and I asked her what she saw. She stated that this is why we should get rid of the logging, to keep Sitka in its pristine state. She was shocked when I explained that this very mountain that she was looking at, Mount Verstovia, had been logged and potentially void of trees during the mid–1930's, that this was actually a second growth that was approximately 60 years old. I also told her that the U.S. Forest Service is mandated by law to have a sustainable plan to ensure that the forest maintains its health forever. I also related that an estimated 87 percent of the Tongass is off limits to any timber cutting whatsoever and that of the remaining estimated 13 percent, it is managed as multiple use, meaning other activities are taken into consideration with timber harvesting.

I further related that if the U.S. Forest Service is allowed to practice their silviculture science, that the second growth will provide approximately 50 percent additional harvestable timber within the same land base. I explained, in layman's terms, what precommercial thinning and commercial thinning does for the vibrant health of the second growth. I also related the experience that I had last fall when I flew out to the False Island Logging Camp and was looking at 25-year-old stands of trees that were over 60 feet tall and they were so thick that you could not walk through them. I further related that I saw a stand of trees that had been precommercial thinned and were shooting up faster than the other stands. She did not realize that, as a rain forest, we have an extremely fertile ground for the ability of the forest to reproduce itself. She was slightly embarrassed over her discoveries and was also slightly disappointed as she felt she had been misinformed by her friends from New York.

I provide these two stories as the basis for the statement that I believe decisions about this forest and the ability for input to those who would manage this forest needs to be here in Alaska. Alaskans need to decide their own future, not some misinformed person from the East Coast or from outside interest who now dictate to us what we can and cannot do here in our home. I also brought the issue of the amendment on the taxation issue for tribal lands regarding taxation because there are those who seem to think that they can do a better job of managing the resource without ever having been here and discovering firsthand what happens here on the Tongass. Too often the Native Americans and Alaska Natives are not recognized as sovereign governments as stated in congressional legislation and Federal Government policy.

You are providing the opportunity for Alaskans to control their own destiny. I believe you have heard this from our elected State officials, both from the governor's office and from the State legislature leadership, as well. I concur with the concept of greater self-determination for Alaskans by Alaskans that these two bodies had previously stated.

I also appreciate the proposed legislation providing security for subsistence rights to our Alaska Natives as a part of the equation of the transfer and the security of subsistence rights under Federal laws until such time that Alaska State laws and Federal laws are revised to be consistent. This ensures that Alaska Native rights are in place in this issue and have a place at the table.

You have asked for some input and guidance regarding your proposed legislation, and I would state that I am concerned for Sitkans and thus I would be concerned about jobs for Sitkans. This includes our private sector industries of timber, tourism, and fishing. By having this forest in State hands, it takes away one layer of political science at the national level and provides a forum for Alaskans to decide what is best for Alaskans.

I would also include that my concern is also for the employment of the U.S. Forest Service detailed here in Sitka. My concern is that these Sitkans be allowed the fullest opportunity to remain employed within this proposed legislation as the managers of the forest. The Forest Service employment under Mr. Gary Morrison, the Chatham District Supervisor, and Mr. Jim Franzel, Sitka Ranger, are a credit to the service of the public. In the face of diverse opinions, they have continued to strive for sustainable and sensible forest management practices for all users that include timber harvesting as a part of that management equation.

I would also state that I am concerned that the State needs to have the capabilities for managing the Tongass in place as transient discussions continue. This community needs stability. The fishing industry is in the midst of turmoil with the Canadian salmon dispute. It is frustrating to see our fishers' abilities further diminished by outside interests. Our visitor industry is also constantly tied up in access issues regarding public lands. The timber industry continues to fight for stability. These issues have constantly been tossed around by the political rhetoric of Washington, D.C., and those influences from a national level. While you have done a good job for Alaskans, you are still only one voice of 435 voices in the House. I would State that Alaskans have a better, more sensible and rational approach to managing our access to our lands, our fisheries, or the forest.

This community has had a great history of being a steady, consistent, and well-balanced community over the years with a healthy fishing industry, a healthy timber industry, and a healthy visitor industry. The health of any community can be measured by the health of its private-sector economy. A vibrant economy means there is disposable income to support the things that make a community healthy in the sense that there is money for business to support school programs and extra-curricular activities for kids, non-profit organizations like the Teen Center or the SAFV Shelter or adult recreational supports, cultural events like the Sitka Sum-

mer Music Festival or the Fine Arts Camp. These are the kinds of aspects that makes this community so attractive and unique.

We have lost that economic stability and we are beginning to lose the ability for the business community to help fund those kinds of activities. Sitka has been a well-rounded community over the years, but with the fishing industry suffering global market problems and a dispute with Canada, and the timber industry and visitor industry constantly battling the access issues, this is an opportunity for a part of those problems to be resolved. We cannot resolve the Canada issue with this legislation, but there is a possibility to bring the decisionmaking process for the timber issues and the access issues for tourism back to Alaska, where they belong. We may want to lock it up and make it a park, for all I know, but at least that decision would be made by Alaskans.

I support the concept that this legislation proposes. You have put some hard issues into this bill for Alaskans to comment on, and that is appreciated.

In conclusion, I would state that you have answered one of my primary concerns, and that is the paramount issue of the Native subsistence rights that you included in this legislation. I commend you for that. My two major concerns, for the record, would be concluding the State of Alaska have a management ability in place for this transfer and that the employment issue of Sitkans who work for the Forest Service be addressed in more detail with an emphasis on job retention.

I would also conclude my testimony stating that, regardless of Forest Service policy, I personally appreciate the work of Gary Morrison, Chatham District Supervisor, and Jim Franzel, Sitka Ranger, and their staff here at the local level here in Sitka. Too often their work goes unappreciated in this community. I appreciate the thought of giving Alaskans the ability to control their own destiny by the concept of this proposed legislation. I hope that you will address the concerns that I have presented. I believe this proposed legislation is worth taking to the next step to take a more detailed view of how it might work. As a lifetime Sitkan who intends to live here for the rest of his life with his family, thank you for allowing me to testify today.

The CHAIRMAN. Thank you, Keith, and I can assure you that your thoughts will be considered. That is what hearings are all about.

If I can, I know three times you complimented the local Forest Service people, and I want to back up what you said.

There was a time when their decisions were the decisions that the people of Alaska lived with. That is no longer true. Those decisions are now made in Washington, D.C., and that is why this bill is a necessity, and why anybody would oppose local input and local control, I cannot for the life understand. Why they support big government and centralized government, I cannot understand, unless they have a different concept of America than I have. I think their input is so important, and also the decisionmaking thoughts so important. So I thank you for your comments. I know I let you go overtime, and I apologize to Stan, but, Stan, you are on now.

STATEMENT OF STAN FILLER

Mr. FILLER. Thank you, and thank you for coming.

My message will be brief because I know Keith said, basically, what I feel, but when I look out in this room, it gives me more reason to support your concept.

A little over three years ago, we were given the Northwest Baranof Timber Plan and told to make comments, send them back to Washington, D.C., and for the last three years, I have seen the same people in the room, and nobody seems to be satisfied, whether your control of the timber industry is going to be timber or it is going to the environmental community, however you want to do this, but the same people. And the same people carry the same signs, and they are not satisfied, and I would submit to you that with State ownership of this, we would make closure on some of these issues. When you have a State as small as the State of Alaska is in population, we know all our legislators, and we do have input. We see this in State government every day, and when I look out in this room, I see very dissatisfied people for one reason or another, and from a standpoint of giving us our own ownership and being able to make our own decisions, we can do it much better here in the State of Alaska than they can do it in Washington, D.C.

Some of the issues that Keith spoke of, I hear that every day from people as we see visitors coming to our community and looking at this pristine wilderness. They go out here to Camp Coogan, which is pristine wilderness, which was clearcut twenty years ago, and our trees do grow back. We have a renewable resource, and I think we need to take advantage of that.

I will close with that and thank you for coming.

The CHAIRMAN. Thank you, Stan, and each one of you witnesses, here, really reestablish what I have been saying all along, that you do have some deep, deep interest, and there is no way the issues are going to be closed if they are continually decisions made in Washington, D.C., and I will have some questions, but I would like to say one thing.

For those that I noticed who were carrying placards outside and some in this room, what is the fear of Alaskans' participating in the decisionmaking policy? If I were one of those people that, very frankly, wanted to have the so-called pristine area of Alaska, I would support the local control because some day along the line there will be a different time, and back in Washington, D.C., they will make a decision that will be contrary to any preservationist's concept, and that will happen without any local input, and, again, the people who live here will be constantly put under that stress, and I think Keith put it very well: If it had not been for Senator Stevens' million dollars in Federal moneys for training programs—the mayor will have to realize this—the economy of this area is going to be very, very bleak next year, and the economy of Southeast is going to be a lot more bleak if we do not try to solve these problems. Mr. Mayor, you mentioned a ten-year supply of timber. The Forest Service turned down Sealaska's request for a ten-year contract.

What was their comment when you went to the Forest Service with your pilot program? Why could not they meet your suggestion?

Mr. HALLGREN. Last week when we meet with the Forest Service, we were told that Federal—I specifically asked about ten-year contracts, and I am told that Federal law does allow ten-year contracts, but they also informed me that none have ever been granted. So I would——

The CHAIRMAN. Did they say it could not be granted because of the law?

Mr. HALLGREN. No. The law allows a ten-year contract to be granted. The law does not allow contracts to be granted which require processing a certain spot, such as Sitka, but they did say that even though the law allows ten-year contracts be granted, their understanding was that none had ever been given.

My personal opinion is that that is a political decision that has been made in D.C. rather than on the local level.

The CHAIRMAN. That is your opinion, now. Let me ask if—they think that they do not have within the parameter of issuing a ten-year contract. Under your pilot program, would you envision timber coming to Sitka or to—you included Wrangell in this equation, did you not?

Mr. HALLGREN. Yes. The basic concept of the idea is have a certain land-based area, probably a little larger than the City and Borough of Sitka, which would be under some form of local decisional control, not just for cutting—that would be major to it—but also for other ideas, such as where the cutting would be, how much, and recreational uses, basically bringing those major ideas—questions back to Sitka.

Any cut in that area would be required to be processed primarily in the—within the region: Sitka or Wrangell. It is my understanding that there is such a high percentage of low-grade fiber in the forest, that in order for our economy to work, to process high-grade timber, you need to have a place to also process the low grade, and that is—my thought was that Ketchikan would make an absolutely excellent spot for Southeast to handle the 45 to 50 percent of the cut that is low grade.

The CHAIRMAN. That could be done under the present ownership of the forest, under the Federal Government, if they would agree with that?

Mr. HALLGREN. It could be done if the Federal statute were changed to require processing in specific areas. I am told that that is not allowed by Federal statute at this time, and also not allowed by Federal statute at this time is local decisional—decisionmaking as to the amount of cutting in the area and methods.

The CHAIRMAN. I appreciate that, and I am glad you are looking at the present situation because some people say this bill has not got a chance, and I will challenge them to that because I happen to believe that this concept of local decisionmaking goes beyond Alaska.

And for those in the audience, this bill was introduced by myself, and because the Tongass is such a controversial area, that I have already had inquiries from the State of Oregon, inquiries from the State of Wyoming, Montana, Arizona. They are very interested in this concept, especially as we are looking at the loss of stumpage fees that would go to the communities. If there is no timber harvest you have no stumpage fees. And the big thing is TLMP. As

TLMP—not TLMP, but in lieu of taxes. As budget moneys get tighter, the chances of taxes being paid in the community becomes less. So there is more interest outside on this concept of State management of Federal lands than just this Tongass, and I just wanted people to know that.

Keith, you made some comments about suggestions for the bill. I can assure you that under the bill—it is just a skeleton idea—that the State will be prepared—in the first place, the State has to act. We are not insisting upon it. The State has to act, first on the positive side, requesting the transfer of lands, and that is something for the legislative body and the governor, but there is a transition. The title of the bill is a transition period.

As far as the other issues you brought up, I think any advice we can get from you—I think you covered it pretty well—is deeply appreciated. I want to thank this panel, and, Stan, I think you put it very well. I have been in this building before and while it was being built. We have had hearings in that room over there, hearings here on this issue and fishing issues, and this constant indecision is evident. This goes on and on and on, and I would like to see these things come full circle, and then, like Keith says, maybe the people of Sitka will decide the whole area will be a park. At least it will be the decision of you, not the Federal Government, because the Federal Government can make decisions that are contrary to beliefs of even the preservationist. That is democracy, and that has been my concept of our government, is democracy and the people locally involved in the decisionmaking, not some centralized, Federalized, socialist form of government in Washington, D.C., and why anybody would oppose that, for the life of me I cannot understand.

I want to thank you, and I hope you get a chance to see the parade tomorrow. It is not going to rain: I am in town. And we will look forward to Sitka as one of the areas. I missed it last year. I do not know whether it rained or not, but I missed the parade, and that is one reason I am back here this year.

Thank you for being on the panel. Thank you very much.

The next panel is John DeTemple, Sitka, Alaska; Theodore Borbridge, Vice Chair of the Sitka Tribal Council, Sitka, Alaska; and Russell Wright of Sitka, Alaska.

I want to welcome the panel and appreciate your being here. You saw the last panel, and we will follow along the same lines.

I would at this time especially like to welcome each one of you, but, John, you are up first.

STATEMENT OF JOHN J. DETEMPLE

Mr. DeTemple. Thank you, Congressman. Glad you came to Sitka. I hope we can keep the green light on.

Most folks know my name is John DeTemple of KIFW Radio. I have been a 34-year resident of Sitka—or of the State of Alaska, a 15-year resident of Sitka. I have been employed by Alaska Broadcast Communications for the past 15 years. I manage KIFW and KSBZ Radio. My wife was born and raised in Ketchikan. I have a ten-year-old daughter, a nine-year-old son, and legal custody of my great-nephew, who is an Alaska Native. So I have a vested interest in the future of not only Sitka but the State, as well.

I have lived here through the good times, when money and the economy were at the peak back in the good-and-old days, and now through the times when most Sitkans are hanging on to what they have just to survive and try to maintain a home here in Sitka. Being employed in commercial radio, I now see what the impact of the closed Alaska Pulp Mill has meant not only to my business as far as advertising revenues, but also what it has done to some of the other businesses here in Sitka. The first year after the mill was closed, people had severance pay and money in savings. Now that it has been almost four years since that devastating event, things are not quite as rosy. The price of real estate has gone up since the closure due to the fact that most homes sold on today's market are going to people from out of town. Some of the sky-high prices are getting pretty crazy. My own home is a good example. I bought a duplex five years ago for $130,000. It was assessed two months ago at $176,500. My house is not worth the pilings it is built on. It seems to me that that is quite a jump in value. My home is not the only one. Ask anybody who has a recent assessment of their house, and they will tell you the same thing: Theirs went up quite a bit.

Sitka cannot just rely on what is going on today. It is nice that we have tourists that come to Sitka and come to spend their money in our stores and stuff, but we cannot rely on just that.

We have had a cutback in commercial fishing just to pacify the neighbors over in Canada. Well, we are going to have to rectify that problem, also. No logging whatsoever for Sitka or for Wrangell. That means the loss of a lot of jobs. We are approaching some very hard times. A lot of folks say that it is going to get harder.

It already is, for my business, as well. Most of my business clients still advertise in some form or another but not on the scale that they used to. Just as an average, my company has lost an average of $10,000 a month of revenue since the pulp mill closed. Put that all together, we are talking close to a half a million dollars. Take 15 percent of that half a million dollars, and that came out of my personal pocket. My income relies on advertising revenues, and if I am not out there hustling every day, day in and day out, you do not make a whole lot of money in this town. A lot of families have also left town. We have a show everybody knows called "Problem Corner." Take a listen and see what is for sale: Houses, cars, boats, furniture, moving sales. Every day seems to be an added list. A lot of businesses have been sold. Had a lot of new people come to town and buy a new business to try to make it work. The school enrollment has stayed pretty close but, still, a lot of long-time Sitka residents have moved south just to survive.

After the closure of the A.L.P. Mill, the Chief of the Forest Service, Jack Ward Thomas, came to town and had a public meeting. He decided to have a media meeting over at the Sitka Airport. It was supposed to be a private meeting. Anybody know a place in the airport where you can have a private meeting? Pretty wide-open.

Well, I got to borrow the Avis office, and we had a closed-door meeting. It seemed that every question I asked Mr. Thomas, every time I asked him a question, the comment I got was "No comment." He would not answer my straightforward questions. It was kind of

ironic, though, that every time I asked the Chief that, he had the same comment that some of the folks back in D.C. have, "No comment."

Now, it seems to me that when it comes to issues pertaining to Alaska and its people, our congressional delegation has gone above and beyond the call of duty in trying to get the rest of our great nation to realize the vast resources and what this House bill can mean for us and what we are told this forest can do for us. We are at a stage now where the old growth is not letting new growth in. There are plenty of trees to be cut. I am not for clearcutting. I am for good forest management, and it can be done if it is put into the right hands.

And the things this town was founded on was timber and fishing. It is sad for me to see that multi-million-dollar operation out there just sit quiet. A lot of people do not miss the smoke and pollution. I lied. There went the yellow light.

For me, it is imperative that we develop some type of wood-products industry in Sitka. We are never going to have a mill along the scale we used to have, but we need to have some type of wood-products industry.

Some cruise lines have already begun to cancel their Sitka stops in a couple of years, if not next year. Each year enough fishing gets cut back that it almost does not pay to buy gas for your boat anymore. We need to develop a dependable year-round, wood-products industry to sustain the local economy. When the pulp mill closed its doors in September 1993, $18 million was taken away from the local economy. That is a chunk of change when you think about it, and it affected all of us. A lot of people do not think it affected them. Take a look at it real close. Electrical rates have gone up, taxes have gone up. As I said, my business has lost quite a bit of money.

Yes, you all hear from the conservationists—the greenies and the like—that Sitka is so much nicer when there is no more pollution in the air, but you never heard those people complain when the mill employees were in their stores spending their hard-earned money on their wares, not once.

You know, you have to ask yourself where is this all leading. Are we telling our children, the future leaders of Sitka and Alaska, that they will have to fend for themselves, or are we going to knuckle down and stand up for what we believe in? I think it is time for all Alaskans to stand up for what they believe in.

Alaska is a true marvel of God's creation: Vast oil and mineral deposits, the best fishing in the entire world, breath-taking scenery, spruce, hemlock, cedar, cottonwood, birch trees that can be cut and replenished for the future. Alaska is my home, and it is yours, too. It is time that we take control of our destiny and make a continuous resource for centuries to come.

I thank you for your time and all of your efforts in making Alaska the great land that it truly is.

The CHAIRMAN. Thank you, John. You bring out some points I think are going to become more evident down the road, and my biggest concern, as I said before, is Alaskans, under my bill, could make the decisions, and if they make the decision that they want to make a park out of it, that is their decision, and even this gen-

tleman right here, his decisions are not listened to anymore, and that is unfortunate, and it is not this administration or any other administration. It is just a concept and philosophy. It started coming from Washington, D.C., about thirty years ago that the states and people really do not have any rights. We have to look on the so-called national side of it. I do not think that is the way our country should be run.

Ted, you are up next.

STATEMENT OF THEODORE C. BORBRIDGE, VICE CHAIR, SITKA TRIBAL COUNCIL

Mr. BORBRIDGE. Thank you, Mr. Congressman.

First off, I would like to correct, my last name is Borbridge.

The CHAIRMAN. I thought I said——

Mr. BORBRIDGE. You mispronounced it, but that is neither here nor there.

Mr. Congressman, the Sitka Tribe of Alaska appreciates your invitation and the opportunity to testify on the Tongass transition, whether the State should even be given the opportunity to take over the operation of the forest.

The Sitka Tribe of Alaska, as a federally recognized government for over 3,000 tribal citizens, respectfully but firmly opposes any attempt to transfer ownership of the Tongass National Forest from the Federal Government to the State government, and I will explain that a little later.

The Tlingit people, including those of the Sitka Tribe, have a cultural history in Southeast Alaska which spans 10,000 years. Historically, the traditional territory of the Sitka Tribe extended the full length of the Pacific Coast of Chichagof and Baranof Island from Point Urey in the north to Cape Ommaney in the south; it extended up Peril Strait between Chichagof and Baranof Islands into Hoonah Sound as far as Patterson Bay. Further, there has been virtual unanimity in agreement in reports made by scholars, travelers, traders, and missionaries, from Veniaminov in 1835 to the present, that similarities in names, geographical data and other evidence point to the fact that the Sitka Tribe has occupied roughly the same territory since the beginning of time.

The traditional territory of the Sitka Tribe is heavily populated with the sites of ancestral smokehouses, cabins, villages, forts, fish traps, gardens, hunting and gathering territories, and other sites of cultural significance. Over 50 of these same clan smokehouses and hunting sites and gathering territories are either held in restricted fee status by citizens of the Sitka Tribe or are subject to their claims by applications filed under the Alaska Native Allotment of 1906.

Historically, this distant territory was not only recognized by Sitka tribal members themselves but also by neighboring communities; that these lands and waters were held under a recognized tenure system by the clans of the Sitka Tribe; that the ownership of the land was recorded in tradition by means of the potlatch and totem pole; that the lands, beaches, and waters were used intensively by the ancestors of the people of the Sitka Tribe, according to matrilineal succession; that the use of these lands, beaches, and

waters were and continue to be significant in the daily life of the people of the Sitka Tribe.

As a matter of law, the Sitka Tribal Council, as the governing body of the Sitka Tribe, is bound by the constitution of the tribe to protect the natural and cultural resources within the customary and traditional territory for its tribal citizens. These natural and cultural resources include subsistence foods and wildlife, sites of historic and cultural significance, and Native land allotments within the Tongass National Forest.

The Sitka Tribe opposes H.R. 2413 because the State of Alaska has, as a general practice, historically and continuously demonstrated disregard—and at times outright contempt—for these cultural and natural resources interests of the Native community. The Sitka Tribe opposes H.R. 2413 because of the governmental hostility, disrespect, and uncertainty that State ownership would bring to Native interest in the Tongass National Forest.

Governmental hostility of the State of Alaska has demonstrated a historic and continuous hostility toward Native interests in the Tongass National Forest. This hostility stems from the fact that the governmental power exercised by the State of Alaska over natural and cultural resources is within the same sphere of governmental interest exercised by the Sitka Tribe. One absolutely necessary role of the Federal Government in the Tongass is to ensure that the relatively stronger government of the State of Alaska does not entirely swallow the relatively weaker government of the Sitka Tribe.

Disrespect: The State of Alaska has demonstrated an historic and continuous disrespect for Native values associated with use and occupancy of the Tongass National Forest. Under the law of the Alaska National Interest Lands Conservation Act and the State's own subsistence laws customary and traditional use of resources by the people of Sitke have a priority use above all others. However, Alaska has unjustifiably and repeatedly failed to find that species such as king, coho and other species of salmon are customary and traditional foods in Sitka.

Uncertainty: The State of Alaska has demonstrated a historic and continuous pattern of uncertain dealings with Native interest in the Tongass National Forest. The recognition of the tribal governments and subsistence rights of tribal citizens by the State of Alaska fluctuates with the election returns. It would be a gross injustice to subject Native rights from year to year to the political whims of a newly elected administration and legislature. It is true that Governor Knowles has demonstrated respect and concern for Native rights and interests, but it is far from certain that the next administration will carry out and enforce such enlightened policies.

Although management of the Tongass by the Federal Government under the U.S. Forest Service has been far from perfect, in recent times this Federal Government agency has for the most part shown a high degree of government respect and certainty in dealing with Native governments and interests. Indeed, the Federal Government is under a legal and Constitutional trust obligation to protect Native rights and interests. The State government is under no such obligation.

The Tongass Transfer and Transition Act repeatedly stresses the need and wisdom for the policy of local control and management of the Tongass. This policy of local control and management is the strongest portion of H.R. 2413. In Section 2 of the Findings of H.R. 2413, this policy states an important thought: That the government that is the closest both in physical and cultural proximity to the Tongass will be the most sensitive to the ecologic and economic needs of the people of the Tongass.

The Sitka Tribe respectfully submits that the governments with the closest physical and cultural ties to the Tongass National Forest are, in fact, the federally recognized tribes of Southeast Alaska, one of which is the Sitka Tribe of Alaska. Further, if it is the intention of Congress to return ownership of the Tongass to the governments that will be the most sensitive to the ecologic, cultural, and economic needs of the people of the Tongass, then let Congress return ownership of this portion of the Tongass to the governments that have managed these lands and waters since a time before written history or living memory, the federally recognized tribes of Southeast Alaska. This could also include representation of the communities involved as determined by the elected.

Again, the Sitka Tribe appreciates your invitation and opportunity to testify regarding this bill, and we welcome you to visit with Sitka Tribe Council to discuss our concerns for local ownership and management of the Tongass National Forest.

Thank you.

The CHAIRMAN. Thank you, Ted, and if I did mispronounce Borbridge, I am sorry, but I thought I pronounced it correctly.

Russ, you are up.

STATEMENT OF RUSSELL WRIGHT

Mr. WRIGHT. Thank you for the opportunity, Congressman.

As I was leaving the house, my wife said keep it short, so I came with a new list.

I left Angoon in 1949 to go to attend Sheldon Jackson, and coming to Sitka, it was a big town, big city. At the end of the road was a cottage. It had a bridge going to the dairy farm, and that was pretty much the end of—the reason I am saying this is because a lot of people—a lot of new people live here, and they do not know the history of Sitka, and if you do not know your history, you are going to be amiss.

With that thought, there is a few homes down toward the dairy farm, but not many, and going out the Halibut Point Road, Marine Street is pretty much the end of downtown there. There was a few homes going out to Halibut Point, like the Toothacher (ph)—people remember that—and during Christmas I came home from the navy, after I had left Sheldon Jackson, and we used to go across Marine Street to get a Christmas tree, which now is pretty well developed, and downtown was, I do not know, two or three thousand people. I could be incorrect on minor details, but to me it was a big city. It was a nice city, friendly. I remember the Hames' business and Wrens (ph), and they really catered to the students, you might say. They had nice shops.

I left Sheldon Jackson and after three years joined the navy during the Korean conflict, came back, got my high school diploma,

went on to college, taking a course I liked, but when I came off the plane, we got off at the turn-around. That is end of Marine Street a little ways, and that was the end of the town. That was our airport.

After the fishing season there was no—the town closed up for the winter. And we had Mt. Edgecumbe High School and we had Sheldon Jackson and we had Sitka High. Sitka High was just this side of Market, I believe it is. That was the high school, and I believe that is where Gary Paxon (ph) graduated from. I do not know. But you look at the growth of this town, I think the people, a lot of new people in this town do not realize what has happened. They got the mill for a reason. They got the mill for year-round jobs.

I used to fish for a living. I used to work in the cannery, but the canneries are no longer in Alaska. All the Native villages used to be empty because they went to the fish canneries, and that is where my dad worked and that is where I worked. Now those are gone, and now the timber is gone and mining is gone, and if they move the State capital and Ketchikan closes down like ALP, we have nothing. We are right back to ground zero, and I do not see people here in Alaska anymore with the vision to make things move and grow. I am concerned for my grand-kids. I can retire. To me, it is not an issue.

So I think the best move, and I am not going to say my point until at the end whether I agree with you or not, but we had no airport as we know it. We had no bridge as we can see. We had no library. We had no Centennial Building.

We did not have Crescent Harbor or the park. We did not have Shee Atika. We did not have the Sheffield House that Shee Atika bought. We did not have the Potlatch Motel, the Super 8. No Al's Credit Union, no Sea Mart out the road. We had very little of any—and you did not need it. The town was very small.

Now we have water treatment, sewer treatment, well-controlled dump. We have a port development. We have Texaco. But I would like to have the people drive by the mill. I hear these horror stories all the time. I do not believe it, but a lot of people do.

Get back to one person that spoke from New York.

We had a person that went to high school with my wife, and also nursing schools, that were here last week, and he is from rural New York, and he says, "God, look at all these trees." He could not believe it. He was taken aback by all the trees we had. He said, "From what I heard, it was all denuded. There was no trees in Alaska." So this is perpetuated as a lie to the American people, and I have also heard a person from New Hampshire speaking at a round-table in Oregon saying, "The Tongass is mine, and it is denuded right now," and if you folks want to get that tape, it is still available, I imagine.

Drive by the mill, most of you, the new people. That place was logged by Nelson Logging not too long ago, and you can count every stump in that area, and there is 15, 20 new trees by each stump. They will have to thin it out; otherwise, it is going to be covered over with new trees. And, let us face it, it is perpetuated as a lie. I will say we have so much emphysema and lung problems because the national old growth is depleting our oxygen. New growth, we need it. That is questionable. But people like to do stuff like that.

I, for one, dispute the logging problem. At my age, I cannot run around old growth, and the mountains around here are at least 3,000 feet high. So I hunt the logged-off areas. That is where all the deer is at, and I get my share. Once in a while I feel brave and I go out into a old-growth logging road and hunt, and they have upped the deer bag limit. It is not less. It is more. And so I do not see any problem there, and I wish they would quit perpetuating that lie. It is amazing: The people that should know better do not, and that is the sad part, including long-time people. And I am proud to be an Indian and I am proud of my heritage. I was an environmentalist long before people. I did not go to college to be an environmentalist. I was brought up like that. My dad—that was part of my culture.

So I—the reason I said this about Sitka, all the stuff, the building, the infrastructure here, was put in by a lot of elected officials. I agreed with most of them. I disagree wholeheartedly with a lot of them, and I still do. And I talked to Stan and I talked to Ann and I talked to Perkins. I disagree with what they are doing, but look at the result over the years. Is Sitka worse off or better? Look at the Centennial Building. Is it worse or better than before, before logging, before the wood industry?

I've seen a lot of changes since the mill came. When I got out of the navy, they did not give me my muster-out pay. When I was discharged, they waited three months, but in the meantime I lived with my dad. I went with a girl locally. I could not buy her a cup of coffee. There was absolutely no work in town. That was before the mill. I do not call that quality of life or living, but you look at the—you say, well, did the wood products fulfill their contract? Well, look at Sitka. Did it fulfill its contract? We have got two dams, we have got a beautiful city, we have got a water treatment. Did they fulfill their contract?

That is my point on this whole story about Sitka. I believe that the Tongass should be transferred over to the State. At least I can call Robin Taylor or Ben Grussendorf if I disagree with what they are doing. I talk to Mary McDowell. She is an aide to the governor. I cannot call—I have talked to the Lieutenant Governor, Fran Ulmer, before the election, and can I do that with Al Gore? I cannot. I think we would have better control.

At least if we do not like what the people are doing, we can kick them out locally. We cannot do that today.

Thank you.

The CHAIRMAN. Thank you, Russ, and I want to stress two things. I am glad you brought back the history, and just for your information, the lady from New York that has been mentioned, the annual harvest in the Tongass prior to 1990 was 364 million board feet. That is from the Tongass. That is with both mills operating, the Wrangell mill and the Metlakatla mill. That is average. New York's average, the State of New York, is 1.8 billion board feet a year, but it is all on private land, and those New York legislators do not even realize it, and it is a renewable timber industry.

Arkansas has 750 million board feet, the President's State. Texas is 4 billion board feet, Texas, and yet we talk about harvesting less than 364 million board feet annually, and what is being proposed now is very minimal. Somehow this message has got to be gotten

across, the dishonesty that has disseminated from the Tongass and how it is the last rain forest being denuded is wrong, and we all know that.

Mr. WRIGHT. Just to show you how—my conception of the Congress is today, they made a big issue out of the—it slipped my mind. They are talking about increasing the minimum wage. It was a big issue. It was all on our front pages of all the major magazines, how the mean-spirited—one part of the Congress is trying to keep it down to where it should be. I did not see those same people talking about people here in this town making $60,000 top, to $40,000, that they just eliminated.

Now, to compensate us, they want to give me a little minimum wage, ten cents an hour. It is perverted, and I think it is time to get the control back to the states where it should be.

The CHAIRMAN. Again, that is the idea of it.

I have never seen in the Constitution where it says the Federal Government should own property.

Ted, I would like to suggest, although I deeply respect your idea, that the Sitka Tribe read the bill very carefully because I believe there are two provisions in there that hopefully will take care of most of your interests: Subsistence, historical, cultural, and the whole gamut. I do know this: The Federal Government does not necessarily, if you check the record of the Federal Government, keep their word very well, either.

Mr. BORBRIDGE. But, Congressman, our main issues seem to be with the State, and we are subject to the political whims of this State.

The CHAIRMAN. Under my bill, you would not be. You would not be, under my bill. I just wanted to stress that, because we wrote this very carefully with a lot of input, and if it needs some improvement, look at the section—I believe it is on page five—and look what might improve that, where you would not have to—and I agree with you on what you are saying, but look at that very carefully, and I am going to ask the question later on about whether anybody was for turning it all over to the tribes, too. I am interested in that, but I am looking for input. So read the bill for me and see if you can give me some good suggestions.

Mr. BORBRIDGE: I have got your bill here.

The CHAIRMAN. Read that one section.

John, your comments about the economy, what else are—let me ask the mayor. Is there a tracking process? Has the city, itself, set up a tracking process of what happens to schools, taxes, to really study the economics? Do you have any economists involved? Do you have any economists?

Mr. HALLGREN. The McDowell Group does studies for Sitka. We do not have anybody under contract yet at this time, but we generally do an annual update through our Economic Development Committee. The city has upgraded its finance department in the last three years, and they track very closely the income on the sales tax and the property tax levels.

The CHAIRMAN. What about your infrastructure, about the cost of replacement, has that been cranked in and where will the income come from to do that, or are you pretty well up to speed, now,

on the age factor, on your water and sewer and fire and police and that type of thing?

Mr. HALLGREN. The city has traditionally been behind the curve in preparing its infrastructure. We just a few months ago voted to increase the sales tax from four percent to five percent to come up with the money to rebuild our high school and one of our other schools and also to build a new city shop, which dates back to World War II, but it is a matter of increasing taxes to take care of things. We are definitely behind the curve on our taking care of our general fund buildings.

The CHAIRMAN. How was the State revenue this year, was it cut, the revenue sharing?

Mr. HALLGREN. The revenue sharing has been cut, and I think for the last several years no question about that, and I think this year we took a seven or eight percent cut, and we have been taking larger percentages of cuts than other State areas.

One of the things that has actually helped us has been that the stumpage has gone up the last several years beyond what we estimated.

The CHAIRMAN. And that stumpage will not occur when president—well, in fact, if all the mills shut down, there will not be any stumpage, will there?

Mr. HALLGREN. If there is no cutting, there is no stumpage.

The CHAIRMAN. Any other comments from the panel?

I want to thank you, and, again, this is—the testimony is open, and if you can think of some other suggestions or ideas, I would deeply appreciate it.

Thanks to the panel. I appreciate it very much.

The next panel will be Ms. Cindy McGraw and Ms. Paula Scott.

Ladies, welcome. I see we have one scratched.

Cindy, you are up first.

STATEMENT OF CINDY MCGRAW

Ms. MCGRAW. My name is Cindy McGraw. I have lived in Alaska all of my life. My parents were born here and their parents before them and so on and so on and so on.

I think Alaskans need to take control of the National Tongass Forest because so far the national government has not been doing a very good or fair job of it. Nobody is happy. Neither side of the Tongass issue is happy.

I believe that given the opportunity, maybe the State government could do a better job of management. At the present time, getting anything approved through the national-run Forest Service, as it stands, is impossible.

There is so much red tape, a person would drown before anyone would even notice that they were drowning, and then they would have to hold hearings to see if maybe someone should throw that person a ring, then someone would protest that maybe the life ring would hurt the fish or the surrounding waters, and then they would have to go to court to get approval to throw the life ring.

Meanwhile, we have already held the memorial service and buried the person who drowned in all that red tape.

My personal experience with the federally controlled Forest Service is not a good one. My husband, myself, and our three children

have a construction business which used to employ approximately 25 people on a seasonal basis, building log roads for APC, for ten years. When the Federal Government canceled APC's contract, this literally destroyed our business.

Although I wrote to my congressmen, they are only a few in a large group of people, the majority who really do not give a hoot about what canceling that contract did to people like me.

I think it is time for someone a little closer to home to be making the decision on what affects my life and those around me.

Thank you.

The CHAIRMAN. I like that. Straight to the point.

Paula?

STATEMENT OF PAULA M. SCOTT

Ms. SCOTT. Thank you for the opportunity to express my thoughts on the Tongass Transfer and Transition Act. I have lived in Sitka for 18 years. My husband and I are small business owners. He is a building contractor and I am an insurance broker, and I am very concerned about the future of Sitka.

I am in support of the timber industry in Southeast Alaska. Thousands of Alaskans depend upon the Tongass for their livelihoods, and we all know that thousands used to depend upon the Tongass for their livelihoods. I do believe the Tongass can provide for a sound and viable timber industry, and at the same time support subsistence hunting, fishing, recreation and other uses. Sitka needs a sustainable year-round industry. Fishing and tourism are important to our economy, but provide seasonal jobs.

A viable timber industry is dependent upon a consistent timber supply. If the historical trends in the management of the Tongass by the Federal Government continue, then the timber supply will continue to decline. I have confidence in the U.S. Forest Service and their ability to manage the Tongass if, and if, they are left to manage based on sound principles and science.

Present management appears to be based on politics. The concept of the State of Alaska having control over the Tongass National Forest rather than the Federal Government is exciting. Those of us that live in Southeast Alaska are very aware of the decisions that have been made by the Federal Government and how they have affected us.

Policy is generated in Washington, D.C., by folks that have never seen the Tongass. They have never lived in Southeast Alaska. They have never had to make a living off the natural resources and probably never met a logger. I believe the Tongass National Forest has become a sacred cow for politicians and contributions to their campaign. The present Federal Government management of the Tongass appears to be insensitive to the economic needs of the people living in Southeast Alaska.

The State of Alaska is a level of government that Southeast Alaskans have access to. The State of Alaska understands the enormous size of the Tongass. This forest is home to 75,000 Alaskans who rely on it for jobs, fishing, hunting, subsistence, tourism, timber, and recreation. Under the present management system, the voice of those living and working in the Tongass is overpowered by a well-funded environmental lobby.

Our message is not heard in Washington, D.C. If the State of Alaska was the decisionmaker, we would have the opportunity to discuss the management of the Tongass with people we know and that have a direct tie to the Forest. The State of Alaska would work toward a sustainable timber industry.

Alaskans understand the difference between the National Park Service and the Forest Service, and I am not certain, with all due respect, that the Members of Congress understand the difference. The Tongass National Forest is the largest and probably the most talked about forest in the nation, and people from all over the United States feel they have a say in the management.

Unfortunately, Congress seems to listen to the uninformed voices over and above the residents of the Tongass. Alaskans understand that we are not the owners of the Tongass, but we are the residents and our future is being sacrificed for the interest of others.

Management by the State could reduce the lobbyist influence; perhaps not the presence of the special-interest groups, but the influence. Our legislators would have the ability to visit the Tongass, do on-site inspections, and with their knowledge of the forest they would not be misled by inaccurate statements. If the State of Alaska had taken over management of the Tongass several years ago, Alaskans would have made the decisions on the Alaska Pulp contract, and Alaskans now would be making the decision on the Ketchikan Pulp contract extension.

I support the concept of Alaska managing the Tongass National Forest. I believe the State could contract with the U.S. Forest Service and manage the forest through the present system. It appears to me that the present management by the Federal Government is not working, and if it is broke, I think we need to fix it.

Thank you.

The CHAIRMAN. Thank you very much, and I will tell you both of you bring up a valid point. Louisiana Pacific, Georgia Pacific, Weyerhaeuser, all the private-held timberlands with one-eighth of the land mass are producing two-thirds of our nation's fiber today, and I have talked to scientists that are not involved with the timber industry at all who will tell you that the State of our national forest is in dire shape, not because of harvesting but because of lack of management, and that is just for your information.

I think if any of you watch the news, we have already lost more timber this year in forest fires in the southwest—2.7 million acres of timber already. We will probably lose around 16 million acres of our national forest lands. The optimum yield on an acre of land is twenty units per acre, and now a lot of our national forests have a thousand to 1500 units per acre. What you have got is you have got brush, and we have forest fires.

Now, some will say that is natural. In Southeast, you have a problem, here, that many of you may not be aware of because of lack of management. Now, we have a beetle in Southeast. Fortunately or unfortunately, it is on private land and they have been able to control it somewhat, but if it gets into national land, under the present system, you will not be able to control it, and you will have a totally dead forest.

This is what we call management. I do think, and this is the reason I introduced this bill, we have to look at the science and the

management, and I think it can be done, as you said, on a closer level.

Cindy, you said you were in the business of building roads. What are you doing now?

Ms. MCGRAW. Well, we still have a construction business, though smaller. For the last two years, we did not work at all. We are just trying to find work around here, which is almost impossible. We have had to go out of town, into Wrangell, Craig.

The CHAIRMAN. Are you still in road building?

Ms. MCGRAW. Well, road construction or water and sewer lines, stuff like that.

The CHAIRMAN. How many people do you employ now?

Ms. MCGRAW. Now we employ, permanently, three—my husband and my two sons. One son—they have had to leave town. The oldest son had to go to Craig to work, the middle one had to go to Wrangell to work and live, which is not a preferable alternative, but we do not have much choice. We are working but——

The CHAIRMAN. Just hanging on?

Ms. MCGRAW. Just hanging on.

The CHAIRMAN. In your insurance business, do you find any friction claims?

Ms. SCOTT. Well, I have been mostly in employee benefits now, so I have seen lots of layoffs in my clients, my clientele. I insure a lot of clients in Southeast Alaska. And my husband has a construction business and——

The CHAIRMAN. What is he constructing now?

Ms. SCOTT. Homes, just a lot of homes.

The CHAIRMAN. Are there new homes being built in town? What is the ratio?

Ms. SCOTT. A lot of new homes.

Mr. HALLGREN. There are a lot of new homes that—probably the same level as the mid–1970's when we were at our peak.

The CHAIRMAN. Who is the purchaser?

Mr. HALLGREN. We are not completely positive, but there are an awful lot of people from out of town buying.

However, SEAHC Hospital has also increased its employment in the last year and a half.

The CHAIRMAN. Which is a government hospital?

Mr. HALLGREN. Yes.

Ms. SCOTT. I would say, based on our business, the majority of homes are being purchased by people that live here.

The CHAIRMAN. What about the economy? Both of you are involved in it. Do you see—or have you been involved—what is your enrollment in the schools? Are the young people increasing or decreasing? Anybody know?

Ms. SCOTT. I would say decreasing.

Mr. HALLGREN. School enrollment has decreased, and we have had a problem with that definitely since the mill shut down. With this school year—and the school budget is based upon the estimate for the next year, and the city contribution, as it is called, to the local school district is our largest single expenditure on an annual basis. This year's school census is down approximately 45, I think, from what they estimated, and for next year they are estimating

a loss of another approximately 45. So they are expecting to be down about 90 from what they were hoping for two years ago.

The CHAIRMAN. Is that in the elementary classes or is that in the high school classes?

Mr. HALLGREN. That is through the—high school down through elementary.

The CHAIRMAN. The reason I ask that, this is a barometer of the strength of your community, is when you start losing your kids, you become an older community. You become infested with people my age, and that is not necessarily a healthy situation. I just bring that—that is economics. If you study the economic picture, it does affect it.

Mr. HALLGREN. The school has dropped every year, and it is estimated to drop again next year.

The CHAIRMAN. Ladies, do you have anything else you want to add?

Ms. MCGRAW. No. As far as employment—we talked earlier—the job we do have in Wrangell, we are employing, temporarily, six employees, and three of those used to work for us as loggers, and this is the only work they have been able to find the last two years, and they are working for us for like two months, and it is Davis-Bacon, so they will probably be able to make as much in two or three months and then they will be off again. At the end of this month, they will be done working and they will be back on—not working again.

The CHAIRMAN. I have had the privilege of visiting Wrangell a couple times recently, and it is not a happy situation down there. These people are very desperate, and somehow along the line—I guess one of the things—I go back to Keith's testimony about the Tongass and the image it has back east, and the problem that Senator Murkowski and Senator Stevens and myself have is: The message that is conveyed and the dishonesty that is portrayed upon the constituency is awesome. I think you—we run into the constant idea that every hill in Southeast has been cut. I try to explain to them there are nine million acres set aside. When we addressed the last Tongass Reform Act, we added a million acres of wilderness prior to the 1980 Act—I mean, after the 1980 Act. People that testified later on even said at that time there would be no mills closed, there would be no loss of jobs. That is not what has happened, and yet people that ride these ferry boats and these ships out here are being told—and I think one of the good things, as we get some information, is they are shocked at how many trees are in Southeast, because most of them have the idea they are going to see nothing but destroyed area.

I go back to the other states, just for your information. The logging is occurring, like I say, in New York and Arkansas and Georgia, Florida, Texas.

Now this all rings a bell with you. They are all federally managed forests—I mean, privately managed forests, and, by the way, they are managed for fish and wildlife. I happen to be an individual turkey hunter, and where they practice proper forestry, they have the finest turkey hunting. You do not find that in the national forest. This is something that I just make for the record, that it is

the management that we are talking about: Who is managing, are they managing.

I thank you ladies for being here, thank you for your testimony.

We are going to go to panel four, and prior to that, I am going to go to the little rest room, so panel four can take their seats, and when I come back, we will begin.

[Pause.]

The CHAIRMAN. We have Mr. Larry Edwards, Sitka, Alaska; Mr. Larry Trani; Mr. Ben Mitchell; and Mr. Robert E. Lindekugel. I have Mr. Mitchell first.

STATEMENT OF BEN MITCHELL, TONGASS HUNTING AND FISHING COALITION

Mr. MITCHELL. Good morning, Congressman Young and members of the Committee. My name is Ben Mitchell. I live in Sitka, and I appreciate the opportunity to speak.

I am co-director of the Tongass Hunting and Fishing Coalition, a newly formed, non-profit corporation dedicated to bringing the voice of subsistence, sportsmen, commercial guides and wildlife viewers to the Tongass debate.

I have lived, worked, traveled, and fished extensively throughout the entire Tongass National Forest for the last 31 years. I am a professional civil engineer, logging engineer, and forester by virtue of academic training and experience.

Let me state right here and now that I am a firm believer in the consumptive use by humans of all renewable natural resources on a sustained yield basis.

However, the Tongass forest timber cannot continue to be overharvested as it has been in the past. The timber industry, operating under the provisions of the long-term contracts awarded in the 1950's, has already removed the highest value and most accessible timber.

The Forest Service, now that it has been unshackled from one of the two long-term contracts, is finally able to move forward toward a balanced management. Protecting and maintaining habitat and access is especially important to our membership.

The populations of Sitka black-tailed deer are being and will be in the future adversely affected by the large-scale conversion of high-value old growth to second-growth forests. It has been my observation in the field that after the second growth canopy closes over and shades out the browse that springs up after initial cutting, the second growth areas become a biological desert for deer brouse—until approximately the year 180. Perfunctory thinning for wildlife forage is basically a ruse and too short-lived to be of much value in my experience of observations.

The State of Alaska has demonstrated that it lacks the commitment, funding, personnel, and legislation to protect habitat and access.

This legislation is being promoted under the guise of obtaining local control when, in reality, nothing could be further from the truth. The State of Alaska is with a budget crunch that extends over the horizon and a demonstrated lack of commitment for ethical management on its present State owned and private timberlands. A particular glaring example of this is the destructive

and wasteful logging practices that have occurred on the Alaska Native Corporations land grants on Prince of Wales Island and at other locations. These operations were subject to the toothless and ineffective Alaska State Forest Practices Act.

Alaska Senator Robin Taylor's agenda is to pass a large portion of these public lands into the hands of private owners once the State has title. Provisions also to transfer a quarter of a million acres to new Native corporations will complete the ultimate lock-up of public-owned lands and resources and to lock out the public. These communities failed to qualify as bona fide Native communities under the 1971 ANCSA even after appeal. This re-emergence of consciousness and interest in the landless Native issue by the delegation after cancellation of the APC contract is suspicious, seeing that there was no interest whatsoever during the 20 years prior to contract cancellation. The Coalition does firmly support equitable compensation for legitimate claims by the landless Native group. The Forest Service must be allowed to complete the revision of the Tongass Land Management Plan without political interference. This is the first plan that uses the best science available, recognizes previously suppressed scientific studies and contains a legitimate public process. For the first time, there is a serious attempt to address resources other than timber, along with timber.

To extend the KPC contract beyond the 2002 and the reinstatement of the cancelled APC contract is a bad idea and is not in the long-term interest of the land nor the public. The two 50-year contracts encouraged initial industrialization of Southeast Alaska. Both have served their purpose well. However, times change, values change, conditions change, and people change. The change is now. It is time to bring economic and biological sustainability to the Tongass Forest and to the people of Southeast Alaska. The Tongass plan is the best hope to accomplish this.

Sitka is a model community trying to accomplish this balancing act. Stika's recent referendum vote that would urge a clear-cut logging "pause" to the Forest Service on National Forest lands in the local Sitka Use Areas made a strong message. Although after a questionable recount by city election officials, it was disclosed that the referendum had failed by four votes, with a record voter turnout of 62 percent in this community of 8500.

Our Coalition membership has clearly stated that we do not believe that the Alaska delegation is fairly representing our interests nor the long-term interests of the public owners of the Tongass National Forest. The proposed legislation is a clear signal that the past practices of timber production at all costs until it runs out will, if passed, be our future. Industry is really not interested in timber that is less than 20,000 board feet per acre. If that is allowed, then you can bet they will fold their tents and go home, and then we will arrive back at this same crossroads again, only with far less than we have today. The Tongass forest must remain national. It belongs to all of the people of the United States, and they seem to be coming to Southeast Alaska in droves to visit their property holdings and critique its management.

This concludes my remarks, Mr. Chairman.

The CHAIRMAN. Thank you, Ben, for your testimony.

Robert, you are next.

STATEMENT OF ROBERT E. LINDEKUGEL, CONSERVATION DIRECTOR, SOUTHEAST ALASKA CONSERVATION COUNCIL

Mr. LINDEKUGEL. Thank you, Mr. Chairman. If ever passed, H.R. 2413 would be the end of our hundred-year tradition of public ownership and management of forest land. Thanks to Senator Robin Taylor, we have confirmed the real intent of your bill. It is not about a simple transfer to the State of Alaska. The real goal of this bill is to turn these public lands over to private hands.

In a letter written to the Montana State senator, Taylor declared his goal for State management of the Tongass. He wrote, "Hopefully, a large portion of this acreage will eventually be conveyed to the private sector." This sentence tells us exactly where you want to head with this bill.

H.R. 2413 would hand over more than 200,000 acres of prime public forest lands to five new, for-profit Native corporations. It is beyond belief that at the same time you are holding these hearings, you are trying to ram this public land giveaway through Congress in an amendment to the Presidio Bill currently in Conference Committee. On top of this outlandish giveaway of public forest resources, your Presidio amendment uses these Native claims to achieve a primary legislative objective of the Alaska delegation—to delay the completion of the Tongass Land management Plan until 1997.

According to two letters, the experts at the Institute of Social and Economic Research at the University of Alaska who wrote the report on the communities being studies, found—well, concluded that they did not make a finding that Congress had inadvertently left these villages off the list, did not recommend that Congress now award them land.

This provision in your transfer bill has less to do with Native claims than it does with guaranteeing that vast areas of the Tongass presently off limits to clearcutting will be taken from public ownership and clearcut without public scrutiny.

You claim that this bill is about control and stability. We strongly disagree. Your bill ends up cutting 15 years of conservation work in Alaska.

On the last page of your bill, second-to-the-last page of your bill, you take your double-barreled shotgun, load it up with buckshot, and blast away at every single protected acre on this forest: the wilderness, the legislated LUD IIs, and salmon buffer strips.

This single provision wrecks any sense of stability for people, communities and industries that depend upon the Tongass.

You have also stated that no one could construe this bill as a Federal mandate. Your bill is loaded with Federal mandates and conditions, including restatement of Alaska Pulp's contract and special treatment for Ketchikan Pulp. Your bill would only benefit the corporate robber barons who have and will continue to put shortsighted profits ahead of the long-term interests of local communities here on the Tongass. You recently introduced a bill to give Ketchikan Pulp a new 15-year monopoly contract that would force all other users to sacrifice their interests in this great forest so that Ketchikan Pulp could be guaranteed a profit. In effect, you are asking the American public to take billions of dollars to stop

this major corporate polluter from disobeying the laws and polluting.

You have heard earlier today that—you claim that only 10 percent of the Tongass will be logged. The truth is that that 10 percent of the Tongass is the biological heart of this forest. It is the trees and the valleys and along-the-beach fringe that the animals, the fish, and the users who depend on those species rely upon. It is like a doctor telling you that "I am only going to cut out your heart, but that is only 10 percent of your body. You will be OK." For the record, fully 75 percent of the forest's original prime high-value old growth has never been protected by law. Only 11 percent of the high volume commercial timber land is protected.

In conclusion, your bill is a very serious threat to our public forest lands and to the way of life for Southeast Alaskans. Your business is not a transfer. It is a travesty. It is outrageous, flat-out dangerous, and we strongly urge you to stop this bill right here and right now.

This is the end of my statement, Mr. Chairman.

[Statement of Mr. Lindekugel may be found at end of hearing.]

The CHAIRMAN. Thank you, Robert. You did that very eloquently.

Mr. Edwards?

STATEMENT OF LARRY EDWARDS

Mr. EDWARDS. Thank you, Mr. Chairman.

My name is Larry Edwards. I am within a few months of being a 20-year resident both of Sitka and Alaska. I came here originally as an engineer with Alaska Pulp Corporation, and I am now a downtown businessman.

I would like to thank you for keeping the promise you made on public radio back in February to hold a hearing in Sitka.

Mr. Young, you are in the majority party in Congress, and you are the Chairman of the House Resources Committee from whose name you have removed the word natural.

Alaska's senators are in similarly powerful positions.

Nonetheless, the three of you have been unable to stampede the Congress into allowing the destruction, by chain saw, of the Tongass National Forest. Your many attempts over the past year or two have failed.

The transparent intent of this bill, H.R. 2413, is to move the power play into a forum where you know a stampede will happen sooner or later. You want to move it into the Alaska State Legislature and under the Alaska Department of Natural Resources, government bodies that have demonstrated their ability to throw resources away for completely short-term gains. These government bodies have demonstrated their inability to provide for long-term multiple use and for future generations. You know that sooner or later the State would privatize this forest. It would only take a momentary lapse of sanity by the legislature for that to happen.

I would just like to mention here, going back to the testimony that Keith Perkins gave earlier. He was talking about the hillside back here, and I would just like to say that Mr. Perkins is misinformed, as are a lot of our local leaders, both in Sitka and the State legislature. This hillside was not logged sixty years ago. It was not logged in 1930. It was logged 160 years ago. We are talk-

ing—actually, it was before that, I think. 160 is the number I have heard, but it was actually logged by the Russians. You can go up there today and walk in it, and it is still not back to old growth. You have got probably another hundred years to go, there, before that.

And that woman who has been mentioned from New York, she may well have been more informed than our own local leaders here. In talking with Keith about these issues a year or so ago, Keith has hardly been beyond the end of the road. He does not know the forest in our own borough. This is the largest borough of the United States, with 3 million acres, yet our own leaders do not have enough knowledge of the borough to manage it wisely. But back to the bill.

The bill is a transparent attempt to do away with the hundred-foot Federal stream-side buffers, which should be and I think eventually will be set at a wider minimum. It is an attempt to reduce them to the State of Alaska's inadequate 66-foot buffers, which are commonly pillaged by means of easily obtained waivers for logging. This bill is a transparent attempt to give away lands that protect multiple uses of the forest from the single-use logging that has the capacity to destroy most of these other uses, and this bill is an attempt to resurrect a dinosaur that is better left dead, the Alaska Pulp contract.

The saddest thing, I think, though, about this bill is that the premise it is based on is completely faulty. Mr. Young, for 20 years, now, you and Senator Stevens and the industry and now the junior senator from Alaska, who has not been there quite that long, have been saying, "We are only going to log 10 percent of the Tongass National Forest."

You ignore that this word, forest, when applied to this land area, is a misnomer. 41 percent of the Tongass is not forested. Another 25 percent is scrub timber that has no commercial value or little wildlife value. You have never addressed this, and you have never allowed this to become a real debate even when it is raised by those on our side of the issue.

Of the remaining one-third of the Tongass, you stated in the public radio interview on Alaska Coast-to-Coast on Valentine's Day that those who know the high-board-feet areas have set them aside already. In fact, though, of the highest-volume forest, only 15 percent has been protected, while half has been logged. The practice of logging the best and then the best of the rest continues to this day. And you would like it to continue in even a bigger way, I think, by making this transfer happen.

On the Floor of the House last December, you said "15 million acres of the Tongass is off limits to logging" . . . "15 million acres of rain forest" . . . 15 million acres of those great old trees." If you truly believe that this 15 million acres, the bulk of the Tongass, is rain forest, when 40 percent is not even forested, then we need a new Chairman of the House "Natural" Resources Committee.

If you believe that this 15 million acres is "great old trees," when 25 percent of it is scrub timber, which is little more than shrubbery, in addition to the nonforested 40 percent—we are talking, here, two-thirds of the whole Tongass—then Alaska needs a new congressman.

This bill is bad for Southeast Alaska and it is bad for Sitka. There is no economic disaster in Sitka. Sitka, though, is Alaska's largest subsistence community, and this bill would be devastating to this part of our economy that a significant majority of families engage in, and is at the foundation of our community's culture and way of life.

88 percent of Sitka's high-volume forest has already been logged. Your timber program is now poised to do further serious damage. The situation is the same in communities throughout Southeast.

Please withdraw this bill and please stop supporting the timber industry's agenda of short-term plunder. And, as has already been mentioned, of how well Sitka's economy is doing in many respects. I have got some handouts here to put in for the record and some for the press, as well, graphing unemployment, comparing Sitka and Ketchikan. I think the differences are very dramatic, and our situation is better than theirs. You have heard about the housing starts. Our sales tax revenues have been up. Every indicator that I have seen looks really good to me, and I have also got, for the record, from last Wednesday and last Friday, "Sitka Sentinel," a page from the want ads, the help wanted ads. These are the two days when we have the most want ads in the paper, help wanted as well as other kinds. Winter, summer, there are generally quite a few jobs available, ranging all the way from cab drivers to doctors, the full spectrum. Anyone that wants a job in this town can have one.

Thank you.

The CHAIRMAN. Thank you.

Mr. EDWARDS. In addition, for the record, Mr. Young, I have a transcript of our exchange on Alaska Coast-to-Coast on Valentine's Day and, also, a copy of the Congressional Record where you were speaking about the "15 million acres of rain forest" and "15 million acres of great old trees," and I do not know if you have or not, but you had said on the Alaska Coast-to-Coast show that you would go back and check the record, because I think your words were, "Well, you have got your record, and I have got my record," but this is the record, and I am introducing this into the record of this hearing.

[Due to size, the submissions were placed in Committee files.]

The CHAIRMAN. I love hostility. I thrive on it, by the way.

I believe you are next, Larry.

STATEMENT OF LARRY TRANI, FRIENDS OF SOUTHEAST'S FUTURE

Mr. TRANI. Yes. Thank you, Representative Young.

My name is Larry Trani, and I have lived in Sitka since 1969. Originally, I came to Sitka as an educator and retired after 22 years in the primary grades. Now I commercial fish, commercial dive, work in the home construction trades, and currently run Outercoast Guest House and family charters for my supplemental income. One of my current charges is being the chair of the Friends of Southeast's Future, a grassroots group of Sitkans that are opposed to the clearcutting of the Tongass within the Sitka local use area. I am speaking to you in this multiple capacity regarding H.R. 2413.

With regards to the Tongass Transfer and Transition Act, I feel it necessary to agree with you that there are problems with the way the Tongass currently is being managed. These problems, however, are not agreed on by you and I. You contend that the problem with the management of the Tongass lies with the Forest Service and that the State of Alaska could do a better job; hence, your bill.

I, on the other hand, believe that the Forest Service has three major problems with the management of the Tongass, that being Senator Stevens, Senator Murkowski, and you, Representative Young. I firmly believe that if the three of you, along with your special interests, would simply allow the Forest Service to use the good science and public input available to them, that they could manage the Tongass in a very responsible manner.

If your bill were passed, it would represent the beginning of the end of the 100-year tradition of public ownership of national forest lands. The Tongass falls under the principle of public landownership, whereby it will be managed for the greatest good for the greatest number in the long run. Your bill contradicts everything that President Teddy Roosevelt stood for when he established the national forest system.

If your bill is passed, how would the management of this new Tongass be paid for? An example. Over the past three years, the Federal treasury has subsidized the timber program for KPC to the tune of $102 million. The only way Alaska could continue a program like this, in light of the fact that the State has less revenues each year, would be to sell off portions of the Tongass to the highest bidder in order to generate revenues to pay the current subsidies. This bill assures that the Tongass would be converted to private ownership. Along with this private ownership comes the guarantee that logging would be accelerated, turning the new Tongass into nothing more than a gigantic tree farm.

This bill also repeals 16 years of protection enacted by various acts. For example, your bill repeals the 100-foot minimum no-logging buffer zones on salmon streams. Your bill also repeals permanent protection for legislated LUD II areas, and for Sitkans that means Upper Hoonah Sound, Lisianski River and Inlet would no longer be protected. Your bill also repeals wilderness and national monument designations. Here, again, for Sitkans, that means the elimination of West Chichagof/Yacobi Wilderness Area, as well as the South Baranof Wilderness Area. The purpose in repealing these provisions is to create an even larger timber base.

Your bill would also parcel out over 200,000 acres of the Tongass for the five new, for-profit Native corporations. For-profit translates to timber extraction. These allocations would further draw down the best of the rest of what is left in the Tongass.

I think it ironic that it has taken some 25 years for this landless Natives' issue to surface. You and Senator Murkowski are only trying to assist KPC and APC with another source of cheap fiber and ignoring what people in Southeast and Sitka, in particular, are telling you. The message you need to hear is: We need to mandate that Southeast Alaska have a value-added woods industry, thereby cutting less trees, not more. The forest robber barons, KPC and APC, make out really well in your bill. Under H.R. 2413, Ketchikan Pulp Company, a convicted felon on probation for intentionally

dumping toxic sludge from its mill into Ward Cove, would see provisions requiring it to pay timber prices comparable to independent operators eliminated. Alaska Pulp Corporation would see its 50-year contract reinstated. That is not a bad deal for a company that breached its last timber contract and ended up displacing 400 employees in Sitka because of the corporation's business decision to close shop. Your special interests, sir, are really apparent when you cater to KPC and APC like this.

The bill you have proposed is nothing more than election-year politics and grandstanding on your part as the chair of the House Resources Committee. Your bill seriously threatens lifestyles of Sitkans and fellow Americans alike. Your transfer bill only transfers the wealth of the Tongass out of the control of the American public.

I strongly urge you to drop this bill immediately and start listening to the people of Southeast Alaska.

One final comment, Congressman Young. You see all the people that are here this morning? I think every one of the people sitting here came to listen this morning but probably, more importantly, many of them wanted to give testimony but were not on the invited list. Why not turn this closed hearing into a true public hearing and allow the people that are here today to give you testimony?

Thank you.

The CHAIRMAN. You know, this amazes me, and I hope you all feel real good. You love to attack me and question me, hit me and say what a dastardly soul Don Young is and this is a democracy. We have these people in the audience cheering. It is fun. At least you are discussing something. At least you are bringing out your points of view, and why the hostility, for the life of me, I cannot understand.

Are you threatened? My God, I am 63 years old.

Do you feel inadequate? You have won—I am not through yet. You have won every battle you have had on the Tongass. Larry, I get a kick out of you. You are a pistol.

Let me read something from 1989. "First, let me say that we are concerned, as everyone in this room, with a need to maintain a healthy economy and stable industry in Southeast Alaska." Who said that?

Mr. EDWARDS. I guess you are saying that I said that.

The CHAIRMAN. What happens in Sitka if the mill shuts down? "By this act, we are not going to affect the timber base at all," and this is SEACC supporting the Tongass Reform Act, comments made by yourself at this table. No mill shutdown, no loss of timber, no loss of jobs, a sound economy. Those are all statements made by you.

I want to ask you: If the mill is not shut down, what is this empty building out there?

Mr. EDWARDS. Well, I think the question, really, is why did the mill shut down.

The CHAIRMAN. Why did you say that?

Mr. EDWARDS. I think the question is why did the mill shut down, and if you go back and you read all the newspaper articles, they did not say Larry Edwards in there once. They did not say the

word environmentalist once. They did not say timber base. It was the markets.

The CHAIRMAN. This is the statement in the record before the committee by Mr. Moran back in Washington, D.C. I remember the first Act, and some of you in the audience are too young to remember this. You said it is like selling a million acres of land. The same argument, and you said—if my figures are wrong, I will trade you. You give me the 9 million acres and I will give you what—you can have what is left.

Mr. EDWARDS. Here is all I can say, is that I am not threatened by you. I would just like to debate this issue, once in these twenty years, on the facts, on the relevant facts.

The CHAIRMAN. What your trouble is, Larry, is your facts do not always jive. You know that. The fact is we have a renewable resource here, and you are not recognizing that. You are saying that KPC and the accusations by all of you about the big timber barons. Where are our little independent people? What are they going to do? Would you support a sawmill?

Mr. EDWARDS. Yeah, I would support a timber industry here.

The CHAIRMAN. What kind?

Mr. EDWARDS. I would like to see a very different industry than we have.

The CHAIRMAN. What kind?

Mr. EDWARDS. I would like to see something that makes a large number of jobs out of small amount of timber.

The CHAIRMAN. Like what? Name it. Is it a sawmill?

Mr. EDWARDS. That is for an entrepreneur to determine that.

The CHAIRMAN. Oh. Entrepreneurs do not pay the pay checks.

Now, the thing I am stressing, here, is why is the fear of the State running it? You keep saying this is a sham. Do you have some fear? You believe the Federal Government is much better able to take and control land?

Mr. EDWARDS. Because I have seen how the Alaska Forest Practices Act has worked. I have seen what has happened on Native corporation lands.

The CHAIRMAN. That is not just—Native corp. lands are private lands. This is State land.

What is the buffer zone under State law?

Mr. EDWARDS. State law is a hundred feet for State land.

The CHAIRMAN. Why did you say you might be able to repeal it?

Mr. EDWARDS. Because I feel that if this—if the Tongass goes to the State, I feel it is going to get privatized.

The CHAIRMAN. Who says it is going to be different?

Mr. EDWARDS. Pardon me?

The CHAIRMAN. Who says it is going to be cut?

Are you so afraid of your position that, in fact, people might cut it?

Mr. EDWARDS. I feel, as I said in my testimony, that the reason you would like to transfer this to the State is because the State can be stampeded much more easily than Congress. Tongass——

The CHAIRMAN. Congress cannot be stampeded. We were stampeded when we built the oil line. You know that. The Congress can make just as adverse conditions to you in your position that far

away because people do not recognize the effect upon the community.

Mr. EDWARDS. Let me put it this way. Congress is much less likely to get stampeded than the State.

The CHAIRMAN. Well, you have got a great deal more faith in the Congress than I do. I have watched them.

I do thank the panel. Again, I welcome the hostility. It is amazing that you can feel so threatened by one poor person who is 63 years old. It is amazing.

Last, but not least, my good Forest Service individual, who I have the highest respect for. Gary, you are up.

STATEMENT OF GARY MORRISON, FOREST SUPERVISOR, U.S. FOREST SERVICE

Mr. MORRISON. Thank you, Mr. Chairman. I wish I had been first instead of last.

Thank you, Mr. Chairman, for coming to Sitka for these hearings today. I am pleased to have the opportunity to appear before you to discuss the management of the Tongass National Forest and present the administration's view on H.R. 2413, a bill to transfer the Tongass National Forest to the State of Alaska.

The full text of the administration's testimony is submitted for the record. I would like to summarize it here today.

As in earlier hearings held in Wrangell and Ketchikan, the Department of Agriculture strongly opposed enactment of H.R. 2413. Our opposition rests on both philosophical and pragmatic grounds. Let me outline our position.

The national forests belong to all Americans. For over 100 years, during good economic times and bad, public lands have been a source of goods and services that help assure local and regional economic growth and diversity. Public resources have helped provide our nation with affordable recreation, wood, fish, wildlife, energy, and water. They have been the basis for environmental health, yielding clean air and water for generations.

The national forest system, covering more than 191 million acres, is a important part of our public lands. Gifford Pinchot, the first chief of the Forest Service, set down an operating philosophy that is as appropriate today as it was when the agency was established.

The national forests are managed for the greatest good for the greatest number in the long run.

By and large, Forest Service stewardship of this priceless resource has been a resounding success. Through multiple-use management, a concept that balances environmental health and human needs, the national forests have provided substantial economic benefits to surrounding communities. By basing management on the best available science, we have been able to refine land management practices to better protect and produce a full range of resources.

The full range of resources here in Alaska includes wildlife, fish, recreation opportunities, timber, and, for us, subsistence.

We recognize that some people disagree with certain aspects of current management efforts. Some believe that we cut too much timber, or, conversely, that we place too little emphasis on timber products. We are dealing with these perceptions through improved

science and more effective public involvement in the decisionmaking process. We strongly urge you not to pursue a policy that would lead to the dismemberment of the national Forest Service system, but, instead, recognize that conflict and controversy are inherent parts of natural resource management which cannot be fixed by shifting responsibility from Federal to State management. The economies of Southeast Alaska are in transition. The communities and the increasingly diverse businesses of the region need assurances of a stable supply of all goods and services produced on the Tongass. The administration recognizes the vital role that natural resources play in the economy of the region and is committed to the economy of Southeast Alaska and to providing a sustainable and dependable supply of timber and other resources from the Tongass. The proposed legislation, however, would have adverse effects toward accomplishing economic stability and create additional economic uncertainties.

H.R. 2413 would undo the long-established working relationships the Forest Service has developed with the State of Alaska, local governments, and Alaska Natives. The Tongass is an ecological treasure, a vast expanse of temperate rain forest. Recognizing its value, the American public has invested major financial resources in the Tongass to ensure the wise and judicious use of all its natural resources. This, in turn, has greatly contributed directly and indirectly to the growth of the Southeast Alaska economy and the health of our nation. The Forest Service has worked hard to assure sustained growth in all sectors of the economy.

The investment of programs and infrastructure the taxpayers of this country have made to the resources of the Tongass and the economy of Alaska since the Tongass was established in 1907 is substantial. Even if transfer of the Tongass makes sense from a management standpoint, the administration would object to relinquishing 17 million acres of valuable Federal property and improvements without adequate compensation to the Federal treasury.

H.R. 2413 would also change the flow of economic benefits that Forest Service programs have created for the 33 communities and local governments within the Tongass. The Forest Service shares 25 percent of all revenues from timber and other activities in the national forest. For the Tongass in 1995, this amounts to $7.6 million. Of this total, the city of Sitka alone received $820,000. As it is for other communities in Southeast Alaska, these revenues are a key component of Sitka's government finances. If they were diminished or lost, the alternatives might be to raise taxes, cut back on services, or both.

The economy of Alaska would be further affected by the loss of the estimated sixty to eighty million dollars per year of Federal Government spending to operate programs on the Tongass at current levels. The cost of managing the Tongass would remain relatively unchanged if H.R. 2413 were enacted, yet the loss of this influx of Federal money, coupled with the additional burden to the State budget, is certain to prove detrimental to the stability of the Alaska economy.

Additionally, the revenue generated by the 565 permanent employees on the Tongass whose salaries are spent and re-spent in

local economies, supporting additional jobs and incomes for the private sector of Alaska, would be forgone.

Historically, issues surrounding the Tongass have been contentious. While the Forest Service is proud of all that we have accomplished over the past 90 years, we do not pretend for a moment that everything is perfect. We acknowledge that competing uses, desires by our neighbors, partners, and owners have dramatically increased the debates surrounding how Federal lands should be managed. These conflicting needs and philosophies are perhaps more keenly felt here in Alaska than elsewhere in the country, and, I would add, more here in Sitka than many parts of Alaska. We believe, however, there are many things we can do to improve our relationship with the public and the management of the resources in the coming years.

Because the red light is on, I will try to summarize very quickly,

Number one, a better job of reconciling fish and wildlife protection needs. Two, a commitment to a sustainable timber supply. Three, better relations with Alaska Natives. Four, better service to those who seek permits for tourism and other activities on the Tongass. Five, strengthening relationships with the State of Alaska. Six, greater efficiency with fewer employees in light of Federal budgets being reduced. Number seven, expanding the economic base of Southeast communities. If you will give me a little time in the end, I will come back to that particular item. I think there is a lot to be said there.

The CHAIRMAN. I am not hitting the gavel, Gary.

Mr. MORRISON. I will go ahead with that right now, then.

I would like to go into a bit more detail on the expanding economic base.

The Forest Service and the Department of Agriculture possess many tools for assisting resource development in dependent communities and allowing them to diversify and expand their economic base. Both financial and technical assistance provided by the department and the Forest Service have been utilized extensively in Southeast Alaska. Over the last three years, a total of $1.8 million in Forest Service rural community assistance funds have been distributed to 20 communities in Southeast Alaska. Sitka received $199,000 of those funds. In fiscal year 1995, $500,000 of rural community assistance funds were dedicated to the communities of Sitka and Wrangell to help them respond to the impacts of mill closures. Those funds were provided through the delegation, by the way, and we really appreciate that.

Sitka used its half of the money to expand and enhance the Thompsen Boat Harbor. Also in fiscal year 1995, a one-time appropriation of $300,000 was made to the Forest Service to fund a study of alternative wood products for manufacture in Sitka. Sitka residents are playing an important role in this effort and have worked with the Forest Service to design the study and have continued to be involved as the work has progressed. The first phase of the study was completed in March.

This commitment to the communities of Southeast will continue in the future. In fact, the Forest Service, through its rural community assistance program, intends to provide more than $750,000 in

grant moneys to resource-dependent communities in Alaska in 1996.

The Forest Service has also recently been charged with the distribution of the $110 million Southeast Alaska Economic Funds that have been spoken to earlier today. I am pleased to say we are working hard to quickly make these funds available to the communities. We have notified all eligible communities how they can begin receiving their portion of the grants and payments. All but one of the communities have already received payment checks. Grants to the communities of Sitka, Wrangell, and Ketchikan are being prepared at this time. And, number eight, my last point where we can improve what we are doing, is a better job of listening to the people, and the best example I can use is the Tongass Forest Plan Revision.

We have been working intensely to revise the Tongass Land Management Plan and continue to involve the public, the State government, and other Federal agencies to assure that the needs of the people of the Tongass and the United States are met in our plan.

Over the past month, public meetings have been held in 32 communities in Southeast Alaska. Meetings were also held in Anchorage and Washington, D.C. Over 400 individuals have given oral testimony and some 1,000 comments have been received for the record. These comments are in addition to over 10,000 comments already on file from previous public reviews. I would also like to note that the regional forester just extended the public comment period for the draft forest plan for a month, to August 26.

In closing, let me reiterate that we are proud of the 130 years of public ownership of these lands by the people of the United States and the more than 90 years of resource stewardship by the Forest Service and the relationships that we have built with our neighbors, our partners, our customers, and our owners. We within the Tongass are proud of our accomplishments for the people of Alaska and the resources of the nation. The Forest Service has managed and will continue to manage the Tongass with public input, scientific and economic analysis, and sustainable natural resource practices, while complying with the law. We recognize that improvements can be made in our management practices, but, as I believe I have shown in my testimony, we are working diligently to maximize the value of the Tongass National Forest to the residents of Southeast Alaska, as well as other owners of the Tongass and the rest of the United States.

I appreciated hearing from all the other panel witnesses today and look forward to working with you, Mr. Chairman, to enhance the uses and management of the resources of the Tongass National Forest.

That concludes my testimony, and I would be happy to answer any questions you might have.

[Statement of Mr. Morrison may be found at end of hearing.]

Mr. CHAIRMAN. Thank you, Gary.

This really is about decisionmaking. How has the decisionmaking process changed as you became in charge of this region?

Has it changed a great deal?

Mr. MORRISON. I think we have more advice being given to us from higher levels than we had in the past, but I think, overall, the local decisions are still being made by the local district rangers, and the area decisions are being made by myself and my three other colleagues here in Alaska.

Mr. CHAIRMAN. What I am saying is we had the decision for extension of the contract, and my information is that the Alaskan position was not even considered, and it was considered in Washington, D.C. Is that true?

Mr. MORRISON. I do not know if our recommendations carried any weight in Washington, but that decision was definitely not made locally.

The CHAIRMAN. It was made in Washington, D.C., but recommendations from the Alaska delegation, Alaska supervisors, was not one that was signed in or agreed to back in Washington, D.C.; is that true?

Mr. MORRISON. That is true.

Mr. CHAIRMAN. What about TLMP? Where are we with TLMP? What is happening there? What are the proposals on that, timeframes? Can you give us any information on the plan?

Mr. MORRISON. Well, the public comment period for the revised supplemental draft is ongoing, and, as I said in the testimony, has been extended for a month, so it will go on until August 29th.

At that time, we will look at all of the input that we received from the public, from the State, from other Federal agencies, and also from our employees locally and regionally as far as how we want to revise this draft to come out with a final approximately the end of the fiscal year.

The CHAIRMAN. Gary, what I am concerned—again, it goes back to the first question—Mr. Glickman, Jack Ward Thomas, all the public input means nothing if, in fact, your recommendations are not considered.

Are you going to be, or Janik going to be able to sit down at the table and defend the position of Alaskan foresters in your position at all, or are you—because I am going to find out, and the next hearing I have, if they, in fact, have not listened to you and listened to Mr. Janik, we are going to have Mr. Jack Ward Thomas and Mr. Glickman before us.

This is the point I have been trying to get across to my friends, here. If you like the Federal Government, you like the socialist form of government, that is great. But when this man is a professional and he is being ignored or Mr. Janke, I do not think that is correct. Why are we having the hearing? I am hoping that Mr. Janke—he is not here today. He chose not to show up again, which shows me something—that he at least will have the decency to defend the position of the Alaskan forester. That is very important. Otherwise, we have lost this concept of public input. It is a joke.

What about the mayor's idea of a ten-year supply of timber? Why would not that work? Were you involved in that discussion?

Mr. MORRISON. I was not involved in the discussions that were held to explore the possibilities, but I do know the law and I do know what is possible.

It is possible to have a ten-year contract. We do have the legal authority to do that, and like what was said earlier, I do not believe that that has ever been exercised within the Forest Service.

Likewise, though, we do not have any law or any authority to specify the location at which timber might be processed, so we could not guarantee that it would be processed in Sitka.

The CHAIRMAN. I understand, but you did deny a ten-year lease to Sealaska; is that correct?

Mr. MORRISON. I am not familiar with that.

The CHAIRMAN. Ten-year contract?

Mr. MORRISON. I am not familiar with that.

The CHAIRMAN. We will check that out. This is not your problem, Gary. I know you have been told to say this, the administration would object to the transfer of Federal assets at taxpayers' expense. It is funny the administration is supporting the Presidio for a large, large sum of money, taxpayers' money. Could not be a little politics there, could there be? I would not think that would happen. Huge taxpayers' expense to transfer some land over to the State of California and the park service, about $50 million a year.

Mr. MORRISON. I am not familiar with the Presidio. I have driven across the Golden Gate Bridge.

The CHAIRMAN. Inconsistency always amazes me.

The Awardo lawsuit, how much timber, what are the issues addressed, what are the expenses, how expensive is the environmental work, how many times did the sale undergo a NEPA, and what was the settlement?

Mr. MORRISON. That is a lot of questions at once.

The Awardo lawsuit came about as a result of an objection that we took the timber offerings that had been made to APC and put them up as independent timber sales after the cancellation of the APC contract.

I believed and signed documents suggesting that all environmental conditions were the same and there was no need to do any additional environmental analysis to do that. It went to court. Out of that settlement it was decided that about 105 million of the 290 million board feet that had been originally available to APC could move forward as independent timber sales.

We are in the process right now of redesigning some of those sales that were agreed to in the settlement, and we hope to be able to offer those as quickly as possible, and those that had already been sold, we hope that activity could begin on them as soon as possible. We believe and have submitted requests for funding for slightly more than $1 million to make the modifications, and that would not include the additional environmental analyses that will have to be done for the difference between 105 million and 290 million that was not released. We have to go back and supplement the environmental impact statements for those, and that would be an additional cost.

The CHAIRMAN. What environmental concerns were actually addressed with that additional money? What was the problem? I thought we had already done a NEPA before.

Mr. MORRISON. Actually, environmental concerns were very few in the modifications that we made and the things we have to go back and change. Closing roads—in fact, in some cases obliterating

roads that we had not intended to do previously—dropping some units, which required us to go back and re-cruise and re-layout units is a cost. Some units were modified for visual concerns that required us to go back and re-layout those units. Those are the kinds of things that add up to the costs for these 105 million.

The CHAIRMAN. That is why you need a million dollars, an additional million bucks?

Mr. MORRISON. That is correct.

The CHAIRMAN. You stated and talked about all the good that comes from the Forest Service, the moneys contributed to the community and the stumpage rates. What happens if Ketchikan Pulp mill shuts down, this mill is shut down, Wrangell is shut down, all the mills are shut down? Where are your sales going to be and where is your stumpage going to come from?

Mr. MORRISON. Well, I am only speculating now, but if we do not have a source for disposing of the low-grade materials, the pulp-grade wood, here in Alaska, that means that it is going to have to be shipped south or maybe shipped overseas. So it is going to be much more difficult for operators to sell the 50 or 60 percent of the timber that is low grade and cannot be cut into lumber.

So that will make a very different economic situation for those independent operators that would remain. It likely would go down. If the timber harvest goes down—timber is the major contributor to the receipts, and, therefore, a major contributor to the 25 percent fund. So it is highly likely that those receipts would go down, so the distributions to the boroughs would drop.

The CHAIRMAN. So your personnel goes down? You have 525 workers now, I believe, down here in Southeast.

Mr. MORRISON. That is correct.

The CHAIRMAN. How could you, Gary, put up a sale? How can Mr. Janke put up a sale if, in fact, it is not economic? When we talk about other businesses down here, the only way it could be economical is if they cut nothing but the premium and the best of trees; is that correct? It would have to be high grading like we used to do during World War II.

Mr. MORRISON. It would be very difficult to have any timber sales that could make money if they could not reasonably dispose of the pulp wood; that is correct.

The CHAIRMAN. Which leads me to, I guess, the premise of my line of questions, is the communities receiving these moneys now at the largess of the taxpayer—Senator Stevens' program and myself.

That is going to be gone this year, right, the 110 million? That is not an ongoing thing, is it? It is over four years. It was 110 million.

Mr. MORRISON. That is right, the 110 million is fixed, but it will be distributed over four years, except for the grants to Sitka, Wrangell, and Ketchikan, which are—can be distributed anytime the program is properly set up and the requests made.

The CHAIRMAN. Let us take your hat off for a moment and just think as a forester.

Again, I go back. Can you envision these sales coming up if we lose all these facilities? What would you sell? The only thing I can

think of is if somebody put a chip mill in and sell the chips to Canada, who took our salmon.

I do not know. I am asking these questions not in an adversary position, but I am concerned, because there is an image being portrayed around here that there are going to be all these little jobs, these other added values, but you have got to have a sale. You are not going to sell one tree at a time.

Mr. MORRISON. That is correct. I will do my best. I am a geologist, rather than a forester, but I will try to act like a forester, here.

I believe that it would be very difficult on a small scale to do other than take the very best timber that could be easily accessed either from the beaches or from existing road systems. Taking timber from existing road systems would only be possible as long as those roads are maintained. So it would require that there be road maintenance, and that is very expensive and a very small operation likely would not be able to do that. So picking and plucking individual trees that could be easily accessed from the water or the existing road system would likely be the only kind of harvest that would be occurring. Roads are very expensive to construct. It is costing us in excess of $150,000 a mile to build logging roads, and a very small operator wanting a few trees would not be in a position to construct those kinds of roads.

The CHAIRMAN. Again, I go back. I hear this term "value-added," which I happen to support, but if you do not have a pulp mill, there is very little chance for a value-added operation, is there? You have got 15 trees, you have got one-value added tree, the rest are pulp trees. You have to sell that sixteenth tree.

Mr. MORRISON. It would only be possible to do value-added with the pulp if you continue the pulp mill or MDF or oriented strand or some other sort of a process that could use that wood; otherwise, you would only want to be taking out the highest quality trees that could be used for other kinds of value-added businesses.

The CHAIRMAN. If, in fact, my bill does not become law, like a lot of people are hoping, and we do not have the pulp mills and we do not have the saw mills, what opportunity will your employees have for employment in the State of Alaska?

Mr. MORRISON. I would estimate that either directly or indirectly approximately half of our employees are associated with the timber program in one way or another. So without a timber industry, we would continue with fisheries, wildlife, recreation, our interpretive programs, visitor center in Juneau, and so forth. So we would probably be approximately half the size we are now. So here in Sitka we would be looking at about 60 people.

The CHAIRMAN. And most of that would be in the relation of recreation, parks, et cetera? It would not be in the timber area at all?

Mr. MORRISON. No.

The CHAIRMAN. You would lose how many people out of Sitka?

Mr. MORRISON. About 65.

The CHAIRMAN. Gary, I was listening to you talk about what would happen, and you are right, but it reminded me of the comments of Art Bomquist, who passed away—bless his soul. He logged the Ketchikan area in the 1930's and 1940's and 1950's. His

logging was beach logging, A-frames, high-grading for airplanes, which, by the way, you cannot hardly find that area in which he logged in.

But, getting back to dispel this myth that there is a great opportunity for the small entrepreneur out there. If the Forest Service manages this timber, you have to put up the sale, and the way you have to put up the sales, if there are no mills, is the high-grading system, and I do not know how you can do it. I do not see how you can physically put up that type sale with all the restrictions, which reminds me.

As the heroes of this movement, how many times have you been sued by the environmental community in Southeast Alaska?

Mr. MORRISON. Total or just this week?

The CHAIRMAN. Total, and this week.

Mr. MORRISON. Many times total. Definitely once this week and likely twice this week.

The CHAIRMAN. Do you have any estimates as to the costs that it takes out of your budget for legal fees?

Mr. MORRISON. We do not keep track of those costs specifically. They are absorbed in all of the programs. When we need wildlife assistance to deal with a lawsuit, it comes out of wildlife. If we need timber, foresters' assistance, it comes out of there. Funds that are fairly specific are those that we pay through the Office of General Counsel, which is our attorney branch. There are millions of dollars annually tied up in lawsuits.

The CHAIRMAN. What has been your success ratio?

Mr. MORRISON. I guess it depends on how you might define success. We have been successful in that we have either won where our position has been correct or we have come to good compromises with appellants where there were questions raised and issues that were valid. I guess I feel pretty good about our success ratio. I do not feel very good about how long it takes the process.

The CHAIRMAN. Would you do me a favor, and I am going to ask Janke and I am going to ask Mr. Jack Ward Thomas, what effect that will have on the Alaska forestry and the changing of the contract, because if that Supreme Court contract stands, it is very, very damaging to the taxpayer, big time, in the billions of dollars. You are not a lawyer or a geologist, but you might want to have them start looking at this because this has far ramifications in the Supreme Court.

Anything else you want to add, Gary?

Mr. MORRISON. No, I think that is it.

The CHAIRMAN. You are not out of here yet.

Gary, anything else you would like to add?

If not, I again want to compliment your professionalism, and, overall, the professionals of the Forest Service, because you are caught in betwixt and between. I would feel much more comfortable if you could make the decisions. I have said this many, many years. We would not even have this discussion if we could make the decisions on the local level by the agencies. It used to be done, and, unfortunately, that is changed and the centralized gurus want to centralize the government is the reason I have introduced this bill, to try to get decisions made back with public input and decisionmakers from a local level. People may object to that, but

eventually if I can at least accomplish my goals in this legislation, I think the administrations—and I say, collectively, administrations—are going to see the wisdom and cannot make decisions that far-reaching from Washington, D.C., that affects people's lives. It is just not the Tongass. It is other areas that have the same ramifications. And the idea that somebody in New York can say, "This is my land and I do not care what you do, but you cannot destroy my land," is wrong. You have to have some idea about how you live.

You people have always been professional, all the way from John Sandor, Mike Barton, and other than Phil Janik, who decides not to show up. One time he had a stroke, and I wished him all the luck in the world, but you have had the decency to appear.

Mr. MORRISON. Thank you, Congressman.

Just a quick comment. The real key to local involvement and input into the way we manage the forest is through the forest plan, and that is the document that I manage the Chatham area by legally, and however the forest plan tells me to manage the forest, I will do that, and if folks can provide their input and influence one way or another, the forest plan, that is the document that I follow in local issues and deal with local projects.

We have lots of controversy over local timber sales here in Sitka. I am following the forest plan in putting up those timber sales. If people do not like how they are, where they are, when they are, how big they are, how small they are, the place to influence that is in the forest plan because I obey the law, and the forest plan is the law that I am following for management of the forest.

The CHAIRMAN. Gary, unfortunately, there are those who still use the courts to impede and oppose once the plan is reached, and I think that is a disservice to the plan. There are those that love to use the court system and those that believe—by the way, the Sierra Club, did you notice that they do not want any more trees cut, period? That is their national policy, no cutting of trees on any national forest land. Let her burn, let her fall down, let her rot. That is natural, and, in the meantime, lost a lot of opportunity.

I want to thank you, and this meeting is adjourned.

[Whereupon, at 12:30 p.m., the Committee was adjourned; and the submitted material for the record may be found at end of hearings.]

TONGASS TRANSFER AND TRANSITION ACT

FRIDAY, JULY 5, 1996

HOUSE OF REPRESENTATIVES,
COMMITTEE ON RESOURCES,
Thorne Bay, AK.

The Committee met, pursuant to call, at 10:40 a.m. in the Thorne Bay School, Thorne Bay, Alaska, Hon. Don Young (chairman of the committee) presiding.

STATEMENT OF THE HON. DON YOUNG, A U.S. REPRESENTATIVE FROM ALASKA; AND CHAIRMAN, COMMITTEE ON RESOURCES

The CHAIRMAN. The hearing of the Resources Committee will begin. I will have an opening statement and then we will draw the first panel to the table.

First, I want to say I am glad to be here in Thorne Bay. It is the heart of Southeast Alaska and the productive area of Alaska. This is where the production and the progress begins because Alaskans from Thorne Bay have an understanding of the Tongass Forest. You are the heart and soul of the Tongass because you understand the Tongass. You have built a quality of life that is among the best. Your hard work shows, as does your understanding of the land, but your views are often largely shut out of the decisionmaking progress in the Tongass. That is because the Federal decisions and policies override what the people in Thorne Bay know that is best for the people in the land. That includes our Forest Service employees. Many of their decisions are overridden by people in Washington, D.C.

I want to stress: Today's hearing is about a bill to give Alaskans a better voice in the management of the Tongass. The bill would allow our State to accept transfer of the Tongass from the Federal Government. Once that happens, State policies, State managers, would make the decisions that affect your lives. Imagine if State decisionmakers were considering extending the KPC contract. That contract would already be extended. Both our legislative body and our governor agreed to support the 15-year extension, but now a contract extension must be cleared through the Washington, D.C. political maze, a maze created by Mr. Gore and those that follow him. That is not right nor fair. It is too far away to make the right decisions.

Imagine the real consensus that could be achieved on the Tongass Land Management Plan if decisionmaking was really done here in Alaska, by Alaskans, under State policies.

Now again, I want to stress it is Washington, D.C. that is the problem. It is not our Forest Service, nor is it you. It is someone back in Washington, D.C. Even after all the input and all the public comment which has been extended for a period of time, that comment will not be listened to. It will be made by people within the agencies back in Washington, D.C., under Mr. Gore.

Frankly, I do not believe those policies work in Alaska. Today I do want to hear your views and ideas. There will be some differences of opinion and this is what the hearing process is all about. For those who may disagree with my legislation, understand one thing. This is a sincere effort to bring up a discussion about who should manage land. Should it be the Federal Government, should it be the State? Should it be the local community? Who should have Federal land? In fact, who should own Federal land?

Will the State ownership help you keep the lifestyle you love? Will State ownership mean better management? There will be those that agree and those that disagree. Will State ownership mean more intelligent decisions for people who live in Thorne Bay, not someone who lives down on Pennsylvania Avenue?

These are some of the questions that I hope today's hearing will address. I do need to know your advice because it is your quality of life that is most threatened by the current Federal decisions being made back east. Some may agree that those decisions are correct for their quality of life. I know some will not agree.

My goal is to bring forth the discussion about who should own, who should manage, and who should be making decisions on the so-called land of the people: Those that live close by in the proximity, or those that live far away.

I have read some of the testimony that said: Why do you not drop this bill? It has not got a chance. I would suggest that anybody that suggests that, they do not know me. It is not a new idea. It is not something I just came up with recently.

Under the Constitution, nowhere does it say the government should own land. What has happened in the past 35, 40 years, has been acquisition of land. 650 million acres are owned by the United States Government. Very little of it is revenue generating. Most of it inhibits those people that live upon it or near it.

We have a thing called payments in lieu of taxes, which is being cut through the United States Congress today. We have, also, stumpage fees, which if there are no trees cut, there are no stumpage fees. No stumpage fees, no in lieu of taxes, no brand-new high school, no new students, no new future, just the status quo. I do not believe inthe status quo. Very frankly, this is a bill of options. It is a bill for discussion.

On the personal side about Thorne Bay, I had the distinct pleasure of being weathered in here in 1973, February. I spent one of the best days and evenings of my life with people who are no longer with us. This town was totally a lumber town but optimistic, exciting, people that looked to the future and raised their children. I have never forgotten that. That is one reason when we made the decision to have a series of hearings we decided to come to those areas which are directly affected by the decisions that are made back in D.C.

I hope this hearing today is not only a period of time in which you can express your point of views, but I hope, also, you understand it is a time to discuss where we are going, what chances those people that are going to this school are going to have in the future, whether they are going to have the opportunity or will they have to leave the State. Are they going to have the opportunity to be Alaskans, or do they have to go somewhere else? Are we just going to think of today and not tomorrow? Are we going to look at the facts or are we going to talk about rhetoric? Are we going to listen to the inflammatory comments by certain large organizations without looking to facts, to the scientific background of what is going on in our national forest is around the nation, not just the Tongass?

We will have our first panel. I hope they are all here. Panel one, the Honorable Shafer, Vice Mayor of Thorne Bay, Thorne Bay, Alaska; the Honorable Elaine Price, Mayor of Coffman Cove, Coffman Cove, Alaska; Mr. Don Hayes, Southeast Alaska Island School Board, Ketchikan, Alaska; and the Honorable Jerry Mackie, the Alaska State House, Craig, Alaska.

Will each one of you please take the witness stand?

I notice we are missing one. We will probably put Mr. Hayes on when he appears later.

Ladies and gentlemen—or lady and gentlemen, the way we operate this, you do have five minutes. The light goes, when you see the orange light, and then the red light. I am usually pretty lenient, though I would prefer not to go for half an hour, and I say this not in disrespect for anyone, because I know you want to say everything you want to say, but everything you have written will be in the record, and when the panel is finished, there will be some questions, probably not a great deal but some questions from myself to you, and that is how we will proceed.

I would also like to remind anybody in the audience that we prefer not to have any displays either for or against. This is a period of time which we hope to, for the record, find out the interests and beliefs of what should and should not be done in the Tongass National Forest, and I believe, Mr. Shafer, you are the first one up, Mr. Mayor, and you are recognized.

STATEMENT OF MIKE SHAFER, VICE MAYOR, THORNE BAY

Mr. SHAFER. Thank you.

The CHAIRMAN. The mayor is not here, so we will call you mayor today. OK?

Mr. SHAFER. OK. I would like to begin by thanking you for this opportunity to speak about this important issue today.

For several years, now, we have been living and working with an uncertain future here in Southeast Alaska and particularly, it seems, here in Thorne Bay. That such an uncertainty exists is somewhat laughable in that we have no shortage of timber or lack of those people willing to work as a livelihood in that timber. We do, however, have a lack of faith in the ability of the United States Forest Service to provide a stable timber supply to the communities of Southeast Alaska.

This lack of faith is also joined by a perception that the U.S. Government thinks that they know better how to manage this forest

than we do. I would like to point out that this should not be considered a slam against those employees who work for that agency. Most are hard-working, conscientious; they are friends, neighbors. The problem, rather, lies with the agency, itself, in it is an agency whose vision and mission has been quite vague for the better part of 20 years. It is an agency that strives to please everyone and succeeds in pleasing no one. It is an agency that was directed back in 1960 to practice multiple use, sustained yield on public lands but also was forced, through congressional mandates, to set aside millions of acres, much of it in Alaska, as wilderness; roadless areas that reduce multiple use to a singular term. It makes sustained yield a meaningless concept.

Currently we have 10 percent of our national forest that could be considered multiple use, and we are locked in a death grip with various groups over our ability to harvest timber on that remaining 10 percent. We have just about got ourselves compromised out of a job. We are continually compromising. Pretty soon we will not have any timber left to harvest, if they have their way.

But the Forest Service, with that in mind, is an agency led from outside, within, by those whose personal agenda speaks to an elite minority who feels that timber harvesting must be eliminated by all costs and whatever means. It is an agency that listens more closely to the misinformed and elected to cancel one long-term contract, closing down the other one. It is an agency whose preferred alternative to the current Tongass Land Management Plan reveals a harvest limit that cannot sustain what industry we have left or will not provide for future expansion. It is an agency that year by year and bit by bit has instituted policies and regulations that have eroded our ability to provide meaningful jobs for our people and provide a stable future for our children.

Here in Thorne Bay it is zoned to approximately 650 people. Actually, that was the estimate done last year by a group that was doing an economic study and since that time I believe we have lost about a dozen families out of Thorne Bay, and most of those left because of that uncertainty that I spoke about earlier.

This community is heavily dependent upon the timber industry. Approximately 80 percent are directly employed by the industry. Losing it in Thorne Bay would be the same as Detroit losing the auto industry or Honolulu losing its tourist industry. We would not survive if it is gone. We just will not.

We do not want welfare. We do not want blood money. We want jobs. We want the future that was promised to Southeast when the pulp mill first opened in 1954. It has become clear to me that the U.S. Government and the Forest Service cannot uphold that promise, and I, therefore, support H.R. 2413.

I am not suggesting that the State of Alaska can do a better job in managing this forest than the Forest Service has. I am suggesting they cannot do any worse. And we want the chance that management by the State of Alaska would give us, and if we have a problem, we would not have to bother Washington with it. We can take it right to Juneau.

That is all I have. Thank you very much.

The CHAIRMAN. Thank you, Mr. Mayor.

I would suggest one thing. The comment "cannot do any better, cannot do any worse"—and I agree with your comment—that this is nothing personal to the local forestry people. Unfortunately, as I have talked to Mr. Janik and Gary, a lot of their decisions are ignored back east, and I think that is a very sad way to manage a forest that does affect people.

Elaine, you are up next. I want to thank you for coming. Mayor of Coffman Cove.

STATEMENT OF ELAINE PRICE, MAYOR, COFFMAN COVE

Ms. PRICE. I would like to say that I am Elaine Price of Coffman Cove, and I am the mayor of Coffman Cove, but the city council of Coffman Cove has not had any dialog on this subject at all, so I am not representing the city.

The CHAIRMAN. That is fine.

Ms. PRICE. Just my own personal opinions.

And, second, I believe that all Federal land should be turned over to the states west of the Mississippi. I do not feel I have the right to tell people how to live and manage their land in Florida, Georgia, New York, or Massachusetts, and they do not have a right to tell us how to manage or live on our land in Alaska, Oregon, Washington, and Idaho.

I feel if there was a land transfer in Alaska, it should be all Federal land, not just the Tongass, but at the same time I feel our State government is loaded with preservationists. The DNR and the DOT, in general, are very difficult to deal with. If a land transfer were to take place, things would have to change drastically on a State level.

I also feel that the Forest Service personnel gets blamed for a lot that is not their fault. I think the Forest Service people who are actually in Thorne Bay, Craig, Ketchikan, and Wrangell could do a good job of managing the forest if they were left alone to do their job and not constantly hog-tied by mandates from Washington, D.C., passed on by people who have never been here and get their information from special interest groups and the Discover channel.

So, in closing, I guess I have to admit I have mixed feelings. I support the transfer in concept, but I feel there is a lot of groundwork that needs to be done. I think Alaskans are better able to manage Alaska if we can set up a sensible resources development plan, and I stress "sensible."

The CHAIRMAN. Thank you. Are you through?

Ms. PRICE. Yes.

The CHAIRMAN. Thank you very much. I love elected officials that do not talk very long. I think it is great.

Now, Jerry, you are in the hot seat. We have Representative Jerry Mackie.

STATEMENT OF JERRY MACKIE, A STATE REPRESENTATIVE IN ALASKA

Mr. MACKIE. Thank you, Congressman. I do not know if that is a direct message there or not.

The CHAIRMAN. You are doing fine.

Mr. MACKIE. For the record, I apologize. I do not have written testimony because I do not write speeches. I usually just talk.

But I would like to, for the record, introduce myself. I am Jerry Mackie. I am a State representative. I represent 37 communities from Prince of Wales to Metlakatla to Yakutat in the State House and have done so for the last six years. I currently also serve as the Democrat leader of the House of Representatives.

90 percent of the Tongass, Congressman, is in my district, and I also feel frustration a lot of times at the State level by Federal policies and mandates that come down.

The district I represent is very diverse. We have a timber industry. We have a fishing industry, which has been there forever. We have got different Native tribes and subsistence issues. We have got some tourism, and my district is very, very diverse and does not have any other jobs other than natural resource jobs.

I strongly believe that we are a natural resource State and that we should manage our resources and we should manage them here at home. I do not know all of the details in terms of your legislation, Congressman, and I am interested in seeing some of the financial information that would take place in terms of the State having to manage the Tongass and so forth. I have not had an opportunity to review that, but in terms of the concept of what you are trying to accomplish, here, I support it, and I will tell you why.

The people that I represent throughout the Tongass a lot of times have very little to say about what happens with their jobs and what happens with the economics. A lot of those decisions are made in Congress and in Washington, D.C., through heavy lobbying efforts and influence from organizations outside of the State of Alaska by people that do not live here, and that comes in the form of management decisions to court injunctions and so on and so forth. That has me greatly concerned.

The reason I know that—I think that we could do the job here in Alaska—and I do not necessarily have a bone to pick with the Forest Service or the personnel that are locally trying to manage the forest. I do have a problem with what comes out of D.C., as you indicated earlier on, but the reason that I think that it could be done is—we will use the KPC contract for an example. I strongly advocated for that contract extension and worked in the legislature to try to build consensus and find language and address some of the issues that we believed addressed all the concerns here at home, and we talked about the need to protect habitat, and I do not know of anyone that wants to clearcut the Tongass from one end to the other, but we do need to have the jobs in the timber industry, as well as fishing and others, and I think that when that final vote came down—and there was all but three people in the legislature, including Governor Knowles, that supported that—that was an example of how we can work together here at home and have people's views being dealt with by people that are elected locally here at home. So I do believe that will work.

There are many issues certainly in the Tongass that go unresolved. A lot of the subsistence issues remain unresolved. There are lots of concerns, concerns even that I have about habitat areas and other things, that we protect our environment at the same time that we manage our timber industry and provide the jobs for our families to survive.

So I can tell you just in my six years' experience in Juneau that there are many, not only in the timber industry or in the oil industry as we have advocated for opening ANWR and other things, there are many things that come down from the Federal Government that do not work in Alaska. They are designed for big cities in the Lower 48 and they do not work in Alaska, wetlands issues and other things.

So I think the more opportunity that we have here in Alaska to control our own destiny and to have input from our local people, the better off we will be in the future, and I thank you, Congressman, for bringing a hearing to my district and to allow for views, different views, as you stated, either for or against. I think it is important to allow people that opportunity, as it is very expensive to travel to D.C.

So, again, thank you for coming home to Alaska to have these hearings, and I appreciate your efforts. Thank you.

The CHAIRMAN. Thank you, Mr. Representative.

I would suggest one thing, and you are absolutely correct. This bill is a bill that we drew up to start conversations. That is why we have the hearings. If you have any suggestions that—I have heard, and all I hear is "The State cannot afford it. We do not have the personnel. How could we do it? We are not prepared."

This is not a rapid process, and the State will have the option to review all the requirements on what should be done, whether they want to take it over, do they want the whole thing.

The mayor from Thorne Bay mentioned we are fighting for 10 percent of it. Now, it may end up that maybe the State is only interested in that 10 percent, because I know I have worked on this issue for 25 years. We have set aside, I believe, the finest and best of the old-growth timber available, the 1.4 million acres, and I hear that this is the best spot. Maybe this is the only area that maybe the State should manage. I do not know, but this is what hearings are about, so before anything was to happen—and, by the way, this bill has a better chance than what those people may try to say it does, not because there are other states interested in this.

By the way, Elaine, you are right. This is just the beginning. This happened to be the most controversial area that has the most discussion going on in the State of Alaska but also in the Lower 48. Oregon has come to me, and they want 2.7 million acres transferred over to them. Wyoming has got some interest now. Montana has got some interest.

So this is an issue that is going to be discussed far beyond the Tongass. We just picked the Tongass because this is where I have not found anybody happy, including the Forest Service, with how it is being managed.

I just talked to Gary yesterday. He was sued twice this week by those who say he is doing a good job, if you follow what I am saying. No one is really too happy, so this is why it was introduced with the Tongass to bring the point home.

Jerry, what have you seen or heard since Sitka shut down and Wrangell shut down and the threat of the extension around these communities? I know you travel around the communities. What are you hearing in the bars and the churches? And I included both of them.

Mr. MACKIE. People are very concerned. They are concerned for their families. They are concerned about their ability to make a living. We are a natural resources State. We do not have Boeing and General Motors and Bechtel and other corporations. We have timber and fishing jobs in Southeast, primarily, with some tourism in the larger areas, and people cannot survive without having an opportunity to work, and when you lose 40 to 50 percent of your jobs over the last five years, people have a reason to be very, very concerned.

So, in terms of this particular bill, some of the concerns that have been—questions I have been asked are: What is it going to cost? Can the State actually do it, or is the State going to be assuming new financial obligations at a time when we are having to down-size our own State government, and can we handle that?

And, as I mentioned in my testimony, I do not have the answers to that. I am interested in seeing what those numbers are, but in terms of whether or not we should control our own destiny here in Alaska, I have had very few people tell me that they did not believe that Alaskans should have the opportunity to make the decisions for ourselves and not have outside interference.

Of course, there are many issues that remain unresolved in terms of subsistence and some of the other things that may fall in the opposite view of timber harvesting, but there are courts and other avenues that those things are being dealt with right now. This is a philosophical thing with me as to whether or not we should control our own destiny.

The CHAIRMAN. Both of you mayors, have you seen decline in your population or has it stabilized or what are you finding?

Mr. SHAFER. Thorne Bay is losing people.

The CHAIRMAN. Are they families or singles?

Mr. SHAFER. Well, it is both. You have both the temporary, maybe the transient type of workers, but we are losing families that are leaving here because of the uncertainty. They have to basically get out while they can to find work elsewhere.

The CHAIRMAN. I was just curious. I was talking to the superintendent of schools, here. I was just wondering what the enrollment here was and how it is affecting the school. This is an awful big plan——

Mr. SHAFER. I do not have the numbers on how much the enrollment has dropped.

The CHAIRMAN. How about you, Elaine?

Ms. PRICE. With Coffman Cove, I got some numbers from KPC about a month ago, and last year they had 71 hourly employees employed at Coffman Cove, and this year is it is 29.

The CHAIRMAN. 71?

Ms. PRICE. 71 versus 29. And this is a community that has 85 families, approximately, about 250 people. So it has made a big impact on our community. We have families that are leaving. It hurts the community because the school will have less enrollment. It is the possibility of one less teacher. The way the grades are broken up, this year we are going to have sixth through twelfth grade in one classroom, which is not really a good situation, and it hurts the community because there are not people to help with the community activities. The uncertainty of the logging industry right now,

people are being very conservative. It hurts the local businesses because people are not spending money. I know it has hurt Craig quite a bit because people in Coffman Cove do a lot of their shopping in Craig and Klawock, and they are just not doing it this year.

Things are very strained in Coffman Cove with uncertainty, and they keep talking about shutting down the logging until next spring, and since they did not start logging until April, that is not enough for people to survive, and the people in Coffman Cove do not want handouts. They want to work. It has always been a community of people that worked.

The CHAIRMAN. I cannot agree with you more. I was supportive of and proud of what Senator Stevens was able to do, but the $110 million in four years' time that would be transferred to communities, especially any community with a handout, that is still not a job.

The question was asked me the other day: "Why are you not supporting other jobs", and I said, "I do. Just tell me what kinds of jobs they are going to be." And that concerns me.

Jerry, you are right. It is a resource-oriented State. I saw the governor signed—it was the added-value bill the other day. It is supported, but 10 million board feet is not a great deal, either, and that does not employ a whole lot of people, and I think the most interesting thing to me is: Let us say KPC went down, which the State and the government did support, but the Federal Government now does not want to do so—although the local forest people did make a recommendation the contract be extended. They chose to cancel it back east. If it goes down, there probably would not be any sales, period, and if you do not have any sales, you do not have any stumpage fees. You do not have any stumpage fees, you do not have any schools. You do not have any infrastructure.

That is the part that really concerns me the most because—mainly a concept by certain individuals saying, "We will start these smaller jobs, these smaller added-value jobs." That sounds good and looks good but, in reality, it is going to be an awful tough task to occur.

Have you talked to people—I know you are both elected—all three of you are elected. Are they interested in a different concept of management?

Ms. PRICE. I think everybody would like to see something different. What we have is not working. It is like what Mike said a few minutes ago. We have compromised and compromised, and I know years ago when they did the D–2 legislation, a lot of Alaskans breathed a sigh of relief and thought, "Well, something a lot worse. I guess it is OK. We compromised. That is it." And then they come along and there is another compromise, and the ink is not even dry and they want another compromise. Every time we give up more and more and we do not get anything back, and it has gotten to the point where—when I came to Alaska years ago, there were loggers—there were 40 outfits working out of Ketchikan alone, and then there were Wrangell and Petersburg and Sitka and Juneau that had logging companies working out of them, and it has just come to the point where there are only a few major employers, and the economy, we need the logging, and we do not need 200 million board feet. We need more.

The CHAIRMAN. I can tell you, you are right about the compromise. I worked on the D–2 land legislation, voted against it, got beat. It was a great battle. Beat them in the committee, lost it on the Floor, Udahl and John Anderson, signed into law by Mr. Carter, and we thought this may be the end of it. I did not like it then, and I said it would probably be just the beginning.

Ms. PRICE. It has been.

The CHAIRMAN. Like you said, six years later, we had the Tongass Reform Act. We had comments from SEACC saying, "We are not looking to eliminate jobs. We want a sound timber base." In reality, they are back at it again with 1,400,000 acres. The 10 percent of the forest—and I have always said that they say this is the better part. Let us trade. I will trade. You give me the 90 percent and you take the 10 percent. Nobody wants to do that. And the truth of the matter is that there is a concentrated effort to eliminate any type of timber activity in Southeast Alaska, and my goal in this bill is not just for timber.

If the people decide that is not what is right, if they want to make a park out of it, that is the people's choice, but at least the decision ought to be made somewhere in the local area.

I am reminiscing, now—I have the gavel, so I can do that—but I remember where the Forest Service, right here, the regional director out of Juneau and the area director, made the decision, and that is what was lived by. That was up until about 15 years ago, and then all of a sudden, right now—like our enforcement officers for the Forest Service do not even report to Mr. Janik. They report to somebody back in Washington, D.C. They do not even have to go through him. They make a recommendation; it has to go back to Washington, D.C., so it is not correct.

I do appreciate you, panel, and, Jerry, good luck to you, all of you that were here, and we are going to be listening to the rest of the witnesses today and hope you are able to hang around, and if you have anything else to add to it, the record is open. Your written testimony or any testimony you would like to get from your councils we would be glad to accept at a later date.

Mr. SHAFER. The only thing I wanted to add—I did get some information—we did lose, as of this year's school, 18 children from enrollment.

The CHAIRMAN. Eighteen?

Mr. SHAFER. Out of those people that have left.

The CHAIRMAN. So we have what type of enrollment, now, in the school district?

Mr. SHAFER. Under 120.

The CHAIRMAN. Mike, my interest in this, I came out of Sitka, and I have always loved Sitka—it is a great town—and everybody says, "Look at the building going on." Most of those houses being built are by retired people or outsiders that have the money to buy the land and put up the houses. It becomes an old community. And one of my fears in our society is—and I am there, so I can say that without some criticism—a community must have the youth. They must have the vigor, they must have the upcoming young kids in the community to make it alive and viable.

Now, Sitka may be able to survive with a retired system, but it is not going to be a system that really provides a whole lot in the

long run for the well-being of Southeast. Now, Thorne Bay does not have the advantage of Sitka. Let us face it. You do have timber. They have all the ingrown infrastructure, and they might be able to survive on SEAHC and a few other things, but it is not necessarily a healthy-type society. A retirement society is not always the healthiest. You have to have that young mixture to make it work, and Thorne Bay has always had that young mixture.

I want to thank you. Jerry, you had something else?

Mr. MACKIE. Just in terms of what people feel—at least, I believe some of the people that would support your approach to this legislation feel that there is an organized effort on a national level with preservationist groups—I think everybody in Alaska are environmentalists. I believe that we care about our environment, but the preservationists that want to lock it up and eliminate the timber jobs have a war going with Louisiana Pacific and other corporations throughout the country for past records of pollution or other types of things, but what they do not realize is that LP, for example, LP is under new management, that they have—Governor Knowles has traveled to meet with Mark Soon on several occasions and talked about the need for environmental upgrades to the plant. LP is spending $200 million to upgrade the facilities and so forth, and they have no answer—the people that would like to continue this battle with LP on a national level have no answer to the families or the people in terms of the jobs that they have lost. So there is a huge vacuum taking place of jobs going out with nobody having anything to say about it here in the State, and it is because of a national debate.

So that is the things that I think people find most offensive, and I think, depending on who you talk to throughout Southeast Alaska, Congressman, as you well know, we are extremely diverse in terms of people's opinions and their livelihoods and so forth. You are going to get different opinions and different feelings about things, but that is healthy, and that kind of debate is healthy. That is why this hearing is healthy, to have that kind of diversity and debate, but it should take place here in Alaska and not in Washington, D.C. That is the whole issue. And the particulars of the management or the board feet and those kinds of things, those will come, and I do not have the answers to that, but it should be made by people in Alaska because it affects Alaskans.

The CHAIRMAN. For you in the audience, we are having a hearing on the extension of the contract on the 11th of this month back in Washington, D.C. I am probably now nationwide famous by those editorial pages. They do not explain it is $257,000,000 to be invested.

Now, some would say, "Why did we wait so long? Why did not we follow British Columbia?" British Columbia, ITT Rayonier, dumped pollutions into our water—into the fishing areas of our fish for years, hundreds of years, and they are finally coming around with a new plan. So I never looked at British Columbia as one of those great examples of how it should be done.

So the decision, I think, goes back to where we should—and before you leave, and this is just for something—I would like to quote something because later on they will talk about Theodore Roosevelt. I always get a kick out of how great Theodore Roosevelt was

and how he preserved the land and everything else, but it says, "Now, first and foremost, you can never afford to forget for a moment: What is the object of our forest policy? That is not to preserve the forests because they are beautiful, though that is good unto itself, nor because they are refuges for the wild creatures of the wilderness, though that, too, is good unto itself, but the primary object of our forest policy, as the land policy of the United States, is to build more prosperous homes.", Theodore Roosevelt, 1903. And I always get a kick when they say Theodore Roosevelt said he wanted a preserve. He did not say preserve; he said use. He did not say preserve; he said conserve. There is a great deal of difference.

By the way, Roosevelt created this forest in 1907, and they keep referring to that, but the truth of the matter is he said the primary purpose was for building homes, and that is something, I think, we ought to keep in mind.

I want to thank the panel. I appreciate you being here, and you are excused.

The next panel—Panel II is Mr. Seley from Ketchikan; Les Looney from Craig, Alaska; Kelly Gerrits, Thorne Bay; Carlyle Preston from—and I apologize—N-A-U-K-A-T-I, how do you pronounce that?

Mr. PRESTON. Naukati.

The CHAIRMAN. Naukati. OK, Naukati. And Ron Quick from Naukati. Will all of you please take the witness stand, if you are here, please?

Check your signs to make sure you are sitting at the right place, and I see we have Kelly and Mr. Preston——

Mr. PRESTON. Carlyle.

The CHAIRMAN. Mr. Preston, Carl Preston, and Ron.

Kelly, this time you are up first.

STATEMENT OF KELLY L. GERRITS, THORNE BAY

Ms. GERRITS. Congressman Young and fellow Alaskans, my name is Kelly Gerrits. My family and I live on Prince of Wales Island, the largest island of the Tongass National Forest. I truly believe in the transfer of the Tongass National Forest from the Federal Government. Right now our lives and policies are being dictated by a government located on the East Coast with a very extreme way of thinking.

Absolute power corrupts absolutely. It is time to empower all people of Alaska to manage their own land and their own lives. People of Alaska directly or indirectly make their livelihood from the natural resources of the land. These people were the first environmentalists of Alaska. They know the true meaning of conservation: Wise usage. Who best to be responsible caretakers of our natural resources than the people who know and love this land? To what advantage would we benefit by overfishing our waters or overharvesting our forests? We want to live our lives here and prepare a life for our children and their children's children, and I am going to requote Teddy.

Theodore Roosevelt said in 1903 to the Society of American Foresters: And now and foremost you can never afford to forget for a moment what is the object of our forest policy. That is not to pre-

serve the forests because they are beautiful, though that is good in itself. To sit on the rocky beach of Southeast and look out at mystic scenery, to enjoy the Alaska blues and to know our natural resources will always be there to provide us with homes and jobs, this too. This used to be a true source of security to Alaskans, not because they are refuges for the wild creatures of the wilderness, though that, too, is good in itself. No one enjoys the sight of a newborn fawn or a stream or spawning fish like a logger who is at home in the forest, but the primary object of our forest policy as a land policy of the United States is the making of prosperous homes.

So that is what we did, myself and my sisters and brother, our fourth generation logging families. My daughter, nephews, and nieces have now proudly entered the work force of the fifth generation. My family has continued this way of life in the timber industry because it is a renewable resource. With proper management, it provides an economic basis to support many American families. Under the current structure of our Forest Service, we are no longer allowed to manage these forests; therefore, we are watching our crops becoming diseased, overripe, and dying. If this is allowed to continue, our entire nation will suffer. Valuable timber products and byproducts are provided from the harvests of these forests.

I have watched for the last 15 years families and homes pulled up by their roots and destroyed. If the Forest Service is allowed to overload us with ever-changing policies which constrict our ability to harvest and manage our forest, the devastation and hardships on the people and their families will ultimately lead to domestic violence, higher crime rates, and overloading of an already failing welfare system.

We have the best leadership in the Nation right here in our great State of Alaska: Congressman Young and our senators, Murkowski and Stevens. It has been said we are getting our act together. We are in a forward and positive motion. I ask that you please support these men in their efforts. They are fighting for our jobs and our families. Please support bill H.R. 2413, the transfer of the Tongass, to its rightful owners, the people of Alaska. We, the people of the Tongass, need to keep our families in their homes.

My statement to you was completed, then late Wednesday afternoon I received an important fax explaining how Agriculture Secretary Glickman wants to impose a new dangerous policy directive on the timber salvage law. This new policy of absurdities is exactly why we, the people of Alaska, must get control of our Tongass to properly manage it or it will be destroyed by our Federal Government. The Clinton Administration would like for us to turn our backs on the health and well-being of our Tongass, to stand by and watch it self-destruct. I, for one, cannot stand by and watch this happen to something which is so dear to my heart. We must unite and push forward to save our natural resources, which means our homes and jobs.

Thank you.

The CHAIRMAN. Thank you, Kelly.

Carl?

STATEMENT OF CARLYLE PRESTON, NAUKATI

Mr. PRESTON. My name is Carlyle Preston. I live in Naukati, Alaska. I have been an Alaskan resident for the past 26 years, the last 23 of these years of which I have lived and work in the Tongass. I support Congressman Young's Tongass Transfer and Transition Act, H.R. 2413.

In my 23 years working in the Tongass, I have seen many changes. I have seen a number of logging companies working in the Tongass cut more than in half and the number of men working cut by more than 60 percent. Never have I seen the work force for logging in the Tongass increase. I have seen units released by the Forest Service ready to be cut be put on hold for months, years, and some forever due to injunctions started by environmentalists, usually from out of State. It does not seem right to me to have someone from New York, California, Florida, or Arkansas, who has probably never been to Alaska, never seen the Tongass, to dictate policy how this forest is to be run. The policy should be dictated by Alaskans, people who live and work in the Tongass, not by someone who has never been off concrete and cannot tell the difference between an Alaskan yellow cedar tree and a Sitka spruce tree. Thank you.

The CHAIRMAN. Thank you.

And Ron, you are the last one.

STATEMENT OF RON QUICK, NAUKATI

Mr. QUICK. Congressman Young, my name is Ron Quick. I live in Naukati on Prince of Wales Island. I have been in the industry 40 years. In fact, I worked with Ms. Gerrits' father in the late 1950's.

I am in favor of the Tongass Transfer Bill, H.R. 2413, you have introduced into the House of Representatives. Over the past three years, it has been so frustrating to me as a timber worker, it is unbelievable. It is hard to understand how the Forest Service can say there is not enough timber for a sustainable timber supply when you can fly around in this country all day and all you see is trees. All the timber workers in Southeast are beginning to understand, now, that the Forest Service does not consist of timber people. They are nothing but a bunch of ecospecialists who call themselves timber people.

These so-called ecospecialists have been taught that all logging is bad for the environment. As Forest Service employees, they have no interest as far as developing a permanent timber supply in Southeast Alaska.

Under the current Democratic Administration, there is little hope for timber workers in Southeast as long as the Forest Service is under Bill Clinton's and Al Gore's thumb.

It is time to give Southeast back to the people who developed this country, like the fishermen, and the loggers. We want our forest back so we can run it responsibly and economically. Let us put the Forest Service watching all the parks the government has created and hope they can do that responsibly. Give us back our forests so we can go to work logging timber that is economically feasible. Give us back our forests so we can go to work not wondering if we are going to have a job the next day. Give us back our forests so we

can go to work and make a decent living, have health-care benefits, and give our children a college education so they can become responsible citizens. Congressmany Young, we do not want welfare. We want jobs.

Thank you.

The CHAIRMAN. Thank you, and I appreciate your testimony. I think most of you hit it on the head. I have made this statement before, and I will make it again. The health of the forest—you brought up the idea of Mr. Glickman, now. This came right out of Al Gore's office—that we cannot, under the congressional mandate, salvage trees if there is any green trees amongst the beetle-killed trees, blow-down trees, and any of you who have been in the blow-down areas around here, there are always going to be one or two trees standing. Under that provision, you cannot go in and salvage it. The Forest Service says we cannot do it. Turn around, and it stops the mandate of Congress, and I think that is going to be questioned very closely by Congress, when it stops the mandate, primarily for political reasons, because certain groups did not support the salvage legislation. Eighteen billion board feet of national forest last year that could have been salvaged, 18 billion. Now, you know what the average yield is—the average cut up to 1990 was about 375 million board feet in the Tongass, and we are talking about 18 billion board feet that are standing there rotting now.

It is always interesting because you mention New York. Mr. Morazic, for instance, Mr. Morazic, they cut a little over a billion—I think 800 million board feet a year in New York State. Think about that. They had 57 pulp mills in New York State. We have got one pulp mill. One pulp mill is all we have. 57 pulp mills. And on top of that, what I am leading up to—most of you, again, are dealing with a national forest—the national forest is not healthy. One eighth of the total land mass produces two-thirds of our fiber today, and it is on private forest lands, and, by the way, they manage it for fish and wildlife, and their national forest is not. And I think that is the real issue here: Who can best manage?

We have a report from Dr. Needle that says in Montana—I think in Minnesota that—comparison, national versus State versus private, the national forest is the worst managed, and I am not blaming the managers, necessarily. I am just saying it is required to do nothing, and it gives us great problem.

By the way, you talk about the logger enjoying fish. I understand you were out busy today; is that true? Are you catching fish yesterday and today?

Ms. GERRITS. Yes. We came in to see you, and then we are going to go back and fillet some more sockeye.

The CHAIRMAN. Anything else you would like to add while you are sitting there? You have the chance to——

Ms. GERRITS. I am not really sure where the Forest Service people came from that were on the TLMP panel, but I wrote—I went to, I think, five different hearings and each hearing I would write something different, and I kind of got to know these people, and I guess I am going to say that I disagree with the first panel a little bit by saying that maybe at one time the Forest Service people on the local level were even in our favor in this and that.

After I got to talking to some of these Forest Service people, they are being infiltrated drastically. It seems like our good people are being transferred out. I have seen a lot of people that were on our side, they are gone, and they bring in others, and, I mean, we have good Forest Service people, but what I am saying is they are on the decline, even at the local level.

The CHAIRMAN. There are 564 Forest Service employees in Southeast Alaska today, and I can assure you that if we do not extend the contract and, in fact, the pulp mill in Ketchikan was to close, not only will we lose the jobs, there will only be about, maybe, 124 Forest Service employees——

Ms. GERRITS. They need to think about that, because they might not be one of the 120.

The CHAIRMAN. [continuing]——because it is going to be drastically cut back, because there would not be any sales. Everybody knows—you went back to the old days when I first came up here before the pulp mill went in, we would have A-frame, beach-type operations, high-grading of timber, and the reason the high-grading stopped and the pulp mills went in is because there were so many old dead trees and unsalvageable logs left in the woods that could not be acceptable, and the pulp mill came in—very frankly, we gave them a tax break. Governor Egan gave them a tax break to let the pulp mills in.

Originally, there were five mills in Southeast Alaska, five pulp mills, and how many sawmills we do not know. The estimate at that time was a sustainable yield forever. Now we are down to one pulp mill, I think one sawmill, if we have that, and yet we are arguing over that 10 percent. That is the difference.

I go back to, very frankly, what we are doing here today. I do not think Alaskans would tolerate that. Jerry Mackie put it very succinctly. State legislative body is backing my bill. The governor is saying we have got to extend the contract. He does not back my bill, but there is a definite interest on the State level, including people from Anchorage and Fairbanks, understanding that there has got to be some support from you, too, not just for those people up far north.

And, by the way, the beetle kill far north far exceeds what you have down here, but you do have beetle kills. You may not get the forest fires, but you will lose trees. We had the big fire at Big Lake, and now we have the potential on the Kenai Peninsula to really having a holocaust. They are not the big trees you have here, but they are pretty good-sized trees.

If you do not have anything else, I just would like to say one thing. I heard from the last panel about the State not—concern whether the State could do it. Do you have that problem?

Ms. GERRITS. No. Like I said, we have good leadership. We are going to be OK.

The CHAIRMAN. Well, the State—and I will be honest with you—you will hear testimony later on that they do not think the State can do it. Of course, this is a slow process. I want you to know this hearing is—like I say, we will have these hearings. When it comes out of the House, when it is signed into law, then the State has to take its time, and that is where your input comes, too, before they ever say, "Yes, we want it." We are not making anybody do

anything. I think that is the safeguard to this whole package, and if someone can make up the argument maybe it would be better leaving it with the Federal Government, that is going to be their job. This discussion has to go forward.

I want to thank you very much and appreciate you inviting me here to Thorne Bay, and we will look forward to visiting you after the hearing. Thank you.

By the way, where is your community?

Mr. PRESTON. Naukati is on the west side of Prince of Wales.

The CHAIRMAN. West side?

Mr. PRESTON. Yes. It is probably 44 miles from Thorne Bay north.

The CHAIRMAN. Before you go, I remember when we did not have roads. Do we have a circle of roads, now, where everybody is connected?

Mr. PRESTON. Yes.

The CHAIRMAN. You mentioned tourism. Are we getting any tourism in here at all?

Ms. GERRITS. What is there to see?

Mr. PRESTON. Maybe you can get the State to grade the road.

The CHAIRMAN. Get the State to grade the road? Maybe we ought to make the roads private; that will really get somebody's interest.

It is something you want to think about because when I was here, we flew everywhere, and I guess we pretty much do so now, but there was no connection between Thorne Bay—where does the road go now, from Thorne bay to——

Mr. PRESTON. Labouchere Bay.

The CHAIRMAN. Labouchere Bay connects to?

Mr. PRESTON. That is it.

The CHAIRMAN. What about the rest of Prince of Wales Island?

Mr. PRESTON. Well, you go from over to—up to Whale Pass, and you can go on over to Coffman Cove.

The CHAIRMAN. Thank you very much. Thank you for being here today.

The next panel is Panel III. Nick Gefre, Thorne Bay; Rocky Collins from Klawock, given by Ben Williams, I understand; Dennis Kuntz from Craig, Alaska; Ms. Judy Willis from Coffman Cove, Alaska. She has been invited. I do not know whether she is here or not.

Thank you, panel, for being here. I think you have watched the panels. It is pretty painless. Give your point of view, and then we will go.

Nick, you are first up.

STATEMENT OF NICK GEFRE, THORNE BAY

Mr. GEFRE. My name is Nick Gefre, Thorne Bay. I support H.R. 2413, and I appreciate the opportunity to address you on my views as they relate to the Tongass National Forest.

I have worked and lived in the Tongass for almost 20 years. My three daughters were all born in the Tongass, as well as my business. I will spend the rest of my life in the Tongass.

Needless to say, I have a vested interest in how the Tongass is managed. Decisions that concern the Tongass should be made on the local level by the people who have chosen the Tongass as their

home. Who else can better understand the effects the issues have than someone who can see them out their living room window?

The people that live here in the Tongass are blessed with a lifestyle unlike anywhere else in the world. We do not have crack houses. There are not any gangs, and the only thing that dies in a drive-by shooting is an occasional deer. This leaves us with little extra time on our hands, and we would be more than happy to take over the management of the Tongass and do our part to lessen the burden on the Federal Government.

Thanks.

The CHAIRMAN. Thank you very much, Nick.

Who is next, here? Ben Williams. Ben, you are doing for Rocky, right?

STATEMENT OF BEN WILLIAMS, KLAWOCK

Mr. WILLIAMS. That is correct. Rocky had a previous commitment, since he is running for District Five representative seat, so I am kind of filling in.

The CHAIRMAN. I am sure you will do a good job. Go ahead.

Mr. WILLIAMS. To the people of Thorne Bay and the Honorable Congressman Don Young, my name is Ben Williams, and I am president of the Alaska and Proud chain of grocery stores located in Southeast Alaska.

I am appearing here today because Rocky cannot attend due to other commitments. We have six stores located from Haines to Juneau to Ketchikan and two here on Prince of Wales, one here in Thorne Bay and one in Klawock, and we employ approximately 450 people, and it is those people and their families who I am representing here today.

There are several factors which brought me to favor the return of the Tongass back to the people of Alaska and to support H.R. 2413. I feel the State of Alaska has been responsible and a responsible steward of our natural resources for over half a century. It is our opinion that the Alaskans are more likely to achieve a balance between development and responsible stewardship of our natural resources, thus providing a viable economic base, as well as a lifelong commitment toward renewable resources.

Having witnessed the impact of loss of reliable timber sales and supplies in our wood products industry, we know firsthand of the devastation resulting from mill and support company shutdowns, the loss of these jobs, and the effects and hurt every community and business has felt, but, most importantly, the people and families of Southeast Alaska. Wherever there are loss of jobs, quality of life quickly deteriorates and you experience a rise in social problems.

Today, as business people in Southeast Alaska, we are faced with many hard choices, including whether or not to close a store or mill, to lay off people, or continue to lose money and perhaps lose a whole company.

Due to the policies of our Federal Government and the special-interest groups it caters to, we currently have a formula for failure and disaster for Southeast Alaska, in our opinion.

We are convinced if there is to be a future for the people of the Tongass and their children, we must find a more compassionate,

equitable, and viable solution to the management of these resources and this great land. There must be a balance. We must be able to provide responsible stewardship for our people, as well as our land. One cannot exist without the other, and we as Alaskans know that the key word is "responsible."

Although there will always be a few to abuse, we feel that, as Alaskans, we can and will implement laws with teeth in them to protect our environment and perhaps even incentives can be provided to those companies and people who go out of their way to abide and even go beyond what is required of them in the protection of our environment.

We believe that not only are we better equipped geographically but emotionally to handle the Tongass. Remember that unless we promote the development of our resources and do it shortly, we will find ourselves in the position of having a State fiscal shortfall and an area shortfall that someone will have to make up the difference, and you know who that is. That is you and me and the rest of the taxpayers. And even with those taxpayers being used as a resource for revenue in the form of taxation, we could not provide enough money to run this great State.

For us, this is not only an area of great beauty and one of concern for the environment, but it is our home.

I would just like to say something, after reading this statement from Rocky, on behalf of the rest of the employees that work for our company, we feel the hurt and the need and the social problems that the communities where the logging shutdowns and the layoffs have occurred because we see those people in the grocery stores. We see the people that have lost their cars and lost their homes and cannot make the rent payments, had to go on welfare and use food stamps and stuff like that. We see the social problems that result in the breakups and the hurts in families on a daily basis because of these social problems when a man that was used to—or a woman—has been used to providing for his family can no longer do so, and it is beyond his and his employer's—it is beyond their power to change that. It is being mandated down to us by people who just do not see the hurt and the problems that it is creating for people that really love this country and want to live here and make their homes and they want to provide homes for their children and jobs for their children in the future. It might be all right for some of our children to go to Los Angeles or New York or Seattle or wherever and make their lives and homes, but we would like to at least have them have a choice of staying here and making this their home, and I feel we are going to lose a generation of Alaskans, especially Southeast Alaskans, if something does not change and we do not get control of this Tongass.

Thank you, sir.

The CHAIRMAN. You cannot put it more eloquently than you just did, and I deeply appreciate that.

Judy, you are up next.

STATEMENT OF JUDY WILLIS, COFFMAN COVE

Ms. WILLIS. I would like to start off by thanking you people for this opportunity to testify on House Bill 2413.

My name is Judy Willis. I live up the road a bit at Coffman Cove. I have lived there for 20 years. I have owned a little general there for the last 16. My store, everything in it, would fit in half this gym and you could park four rigs beside it. I started the store because I ended up divorced with three kids, and I have raised them out of it. I have been self-supporting. My kids went completely through school at Coffman. They would probably like to stay there. They cannot. There are not any jobs.

I have a son that is a fisherman that lives in Petersburg. I have a son that is a heli-logger that is working in Valdez this year—his house is in Coffman—and I have a daughter in college in Juneau studying constitutional business law. We have some real interesting holiday dinners at our house.

This is not one of the easiest places to make a living even in the good years, and it does not matter how you make it. You still have to fight the weather. You have to fight lack of support systems, breakdowns, anything that can go wrong, and bugs. There have not been too many good years lately and many of us are still here, so we must either like it or we are not quite as smart as we thought we were.

Having gone through the battle of the Tongass with you for the past 18 or 20 years, I have no problem telling you that I no longer believe much of what the Federal Government tells me, even when they sign on the dotted line. Nothing is ever really settled. The battle is never-ending. It is frustrating. It is tiring and stressful. It is a no-win situation, and we have lost more now than we could ever hope to regain.

I support House Bill 2413 in the hope that it will give us a chance for a future. We are not too sure we have a future right now. No one seems to be able to tell us anything for sure. We know better than to make plans. We know better than to take out loans, anything of that sort.

I support transferring the Tongass to the State of Alaska in hopes that it will be managed in a way that will help stabilize our economy somewhat. Making people more familiar with our forests and the talents and people in it will do a better job of managing it.

I am not here to tell you I have a lot of faith in State management, but, if nothing else, Juneau is closer. We can afford the airfare, and it is a little bit more direct, and I really am hard-pressed to think of anything the State could do to us that the Federal Government has not already thought of.

Whether the Tongass is owned by the State or the Federal Government, I do not think things are going to improve until management of public lands, all public lands, are done by people that have been hired or appointed for what they know, not who they know. No one is ever going to please everyone, nor should they try, but they should not be swinging in the wind with every public opinion poll that is published, either. There is no real management of anything except someone's career when everything changes with every election or every new political appointee or every newspaper story.

The Forest Service that I have worked with here are good. They know their jobs. They are hired because they know their jobs. They

are not allowed to do their jobs, and they are not allowed to defend when they are attacked. That is not right.

I am not sure if anything like that would change under State ownership, but we know for proof the Federal system does not work. You cannot log without trees. You cannot build roads without rock. I cannot run a store without customers. We need a long-term plan we can stick with for stability in the area. Maybe if we all knew what the bottom line was for once and stuck with it, we could pick up the pieces that are left in our lives and go forward. Not knowing is the hardest part for everyone. It has taken too much of a toll.

At this point, I am not sure how much longer some of us can keep going. My business is doing less than 50 percent of normal, and I have lost 90 percent of my mail-out business. Most of it went to the Sitka or Wrangell mills. Most of the loggers have known me at one time or the other. My operating expenses are still at a hundred percent of normal. There is nothing left to fall back on.

The tourists that were going to save us are some really nice people, but I do not think they are going to save my business. People with jobs will save my business. We would rather work and pay taxes and buy the things we need.

What happens to people like me? Do we disappear? What happened to the little store-keeps in the camps around Sitka or Wrangell? Did they fall through a crack somewhere? I am not a logger. I do not get unemployment. I will not be retrained, and I will not be rehabilitated. The only thing I know how to do is be a store keeper and a mom, and I am too old to have more kids. I have worked 361 days a year for the past 16 years. Not many of them were eight-hour days. I have no other means of support. There are not any jobs in Coffman. Do I lose my business? Do I lose my home? I paid the Federal Government taxes for 16 years because I worked. Now the same government is about to put me out of business. Can I get a refund for default?

Maybe it is more politically correct today to be homeless than to be a logger in the Tongass. I hear there is some help for the homeless.

Again, I would like to thank you for coming to the island to try to help us, Don. It is a holiday weekend, so we are all impressed. I would like you to—I know I am on a red light, but for working so hard for us for so many years, we know you have tried your best. We know that you understood. Maybe we should have thought of this years ago. Maybe it would be better now, but at least you have given us hope once again.

The CHAIRMAN. Thank you, Judy, and thanks for that. I know you wrote that yourself and it is from the heart. All of you, I deeply appreciate.

By the way, I do believe there is still a future. That is one thing I am good at. I am very much of an optimist. I am one that has great perseverance, and as I said to George Miller and Moe Udahl and all those people that wanted to lock up the Tongass, I will outlive you or I will outlast you, and I have done both, and I am going to continue to do that because I am resource oriented and I really strongly suggest that anybody that says that there is not resources

in this State that should be developed are from New York or they are hired guns from outside.

In reality, there is room for all of us, but right now there seems to be sort of a feeling there is not room for all of us, that there is only room for those that are retired, if they are getting a State paycheck, or those that are hired by interest groups, or those that have an outside income, and, as you said, Judy, I do not know. You do not fall in any of those categories, but they do not have sympathy for you. The same with the other people, 450 people. What happened to them when you lose your customers, Ben, and, Nick, you have a fuel distributing system. Did you start that yourself?

Mr. GEFRE. Yes, I started it in Thorne Bay.

The CHAIRMAN. You started it in Thorne Bay, and if you lose your customers, you are gone. You may not leave here because you apparently have got your feet to the ground and you are going to stay regardless, but what are your kids going to do?

Mr. GEFRE. Right.

The CHAIRMAN. The question keeps coming up: What has happened? Why did this all occur?

All of you have been here a long period of time. Can you just generally give me a rundown and say the change in the last 25 years, what happened prior to that, and what do you think the reasons may be in your own minds or the most—what I would say the most telling things you see today versus when you first started? Just a general question, so you can answer it generally.

Ben?

Mr. WILLIAMS. I think that when I first came up here, and I have not been here quite as long as some of these people, but I have been here 23 years, and when I first came up here, there was a real sense between the Forest Service and the industry and everything to consider the people and the impacts and jobs, and I think people were more inclined to do a good job, and most of the decisions were based locally.

There is room in Southeast Alaska for the timber industry, the woods products industry—really good, if we can get the prices up and some economic things—the commercial fishing industry. There is room for mining, there is room for tourism, sport fishing, recreation. I think we are more capable of defining those areas and working together to provide all those areas and identifying those areas that are viable for all these different industries ourselves and with the help of good professionals in the Federal Government or the State government or wherever that make decisions based on good management decisions that take into consideration people and jobs, and I think the biggest thing—I agree with Judy—the biggest thing is we have people making decisions that do not know what they are talking about and they are making them from an extremist point of view.

I think we are all environmentalists that live up here, and I think we can make it work and have this land survive, but we cannot do it with all the outside influences.

The CHAIRMAN. One of the things that the TLMP—the Tongass national plan that they extended the comment period on for a period of time—I do not have any confidence in it at all, and eventually, when that is done, the decisions made will be held back in

Washington. That is why we go back to—if we set up a plan on the State level with local input, at least there would be some knowledge of what was accumulated. Right now, I doubt it will ever be considered. In fact, I have asked the Forest Service to give me the plans that come from here, and I would like to see one plan and see what they say back east.

Mr. WILLIAMS. I think the people here are way more capable of making the proper decisions. We know where the best subsistence areas are. We know where the best tourist areas are. We know where the best timber areas are, and, sure, there has got to be some compromise, but they cannot do it.

The CHAIRMAN. The problem we have, there, is one problem. I think the mayor of Thorne Bay said, "No more compromise," because what has happened, we have compromised, and now we are arguing over the 1,400,000.

Mr. WILLIAMS. We need to compromise amongst ourselves, but not with them.

The CHAIRMAN. But I am saying 1,400,000. Now, I would suggest respectfully that if the State had management of the Tongass—and that is what my bill says—we could reconsider some of those areas that were outside of the 1,400,000 about how it would best be managed, and maybe it would not be in the park, but there is no consideration.

By the way, we did not have a hearing in 1986, regardless of what they say. They had a trip. They went fishing. They did not have a hearing. They did not listen to any testimony. I know who it was. It was George Miller, Incorporated, who now is the ranking member and I am the Chairman and I do have the gavel, but that is what happened. There was no hearing. They did not hear from you, and they made a decision to take an additional million acres from the original and put it into a nonrestricted classification. No one can really use it. That is the unfairness, and that decision is followed up by, in fact, the Forest Service.

Now, we keep defending the Forest Service, but I talked to Gary yesterday, and he was sued, like I say, twice this week because they do not want logging in Poison Cove. I talked to the fishermen over there and they said, "Frankly, it is not a very attractive area," yet they are being sued. They are caught in between and betwixt, too. Every time they put something up, they get sued.

Ms. WILLIS. I have a couple things. Even if we compromise amongst ourselves, we need something back to compromise with, which reminds me—my boys are twins, and they fought their whole lives. One time there was a pie for a bake sale, and one son ate three-quarters of the pie and then offered to share the last piece with the other boy, and he said, "But you have had it all," and he said, "No, this is all we have left, so you get half. This is the way it works."

Well, this is about where we are at: There is one little piece left. Do not give them half.

And there is something—I am from Washington, D.C., by the way, born and raised there, and I see lots of different sides of this, and one thing I do not see mentioned anymore is years ago, perhaps—I think of myself more as a conservationist than an environmentalist. I have lived in the woods every day of my life. I do not

want to live anywhere else. I do not want towns. I do not want pavements.

The environmental movement has gone from a cause to a business. I think it is one of the most biggest, powerful businesses in this country. A cause—I have worked for school organizations. I bake pies for pie sales. Nobody gives me any money. I would not take it if they did. That is not the idea.

If I were making the salary that some of these people are making, I would do everything I could to get as much I could, too. The problem is, once they get it, they do not have to do anything with it because you do not manage wilderness areas. There is no price put upon them. They are just there. You are going to have to go get more.

I get a little nervous when I wonder when they have gone through the loggers and they have gone through the fishermen and they have gone through the miners and they have gone through the farmers, who are they going to come after next, concrete workers?

Where does it end? There is no common sense to this anymore. It is so extreme. There is no middle of the road. You cannot have all of anything, and yet there is no place they can stop because they are not going to put themselves out of business.

The CHAIRMAN. You are right, Judy. Jerry Hair made $350,000 a year.

Ms. WILLIS. My biggest year in 16 years, my little store, $21,000, and I was dang proud of it.

The CHAIRMAN. We can get into the philosophies and the direction of what the groups are. I think everybody knows my position on that. They agree with me. They put me on the dirty dozen a thousand times and also have, very frankly—I am the poster child of the groups, and I say that with pride, because I believe in the conservation but not the preservation. I believe in jobs, and I believe jobs create good environment. You put people—Nick, you say there are no gangs here, no drugs here. You may be right, but you start getting people under stress and poverty, you start going on welfare and losing pride—just a little sideline—one of the most balancing factors we had in Sitka, I believe, bringing people together was the pulp mill. We had people working the pulp mill with ethnic backgrounds that had not had an opportunity before, came in got good jobs, paying jobs, bought homes, had a nice car, and came up the ladder, were able to buy groceries without food stamps. Now they have lost those jobs. They lost them. Guess where they are right now. They are on welfare. They are using food stamps. Already you are starting to see a high violence rate. You have already seen the breaking up of families. You have seen kids that are running away from home, and I happen to agree with you, Judy. Somewhere along the line there has got to be a balance where we are going. This is not an environmental battle. This is about control, and most of those that are advocating their position have income from that movement and they could care less, but I am very concerned about people like yourselves, those people who are trying to maintain a high-paying job.

I watched the President on television today who was talking about all the great high-paying jobs he created. Statistically, most were minimum-wage jobs. Sometimes two or three jobs a person

has to hold to maintain their home, minimum-wage homes, and I know these jobs are pretty decent-paying jobs. You work on your own, but, again, it goes back to the State. The State, I think, would have a better understanding of what has to be done to keep the community alive.

We are fighting over that 1,400,000 acres. If we lose that, we have got nothing, and, unfortunately, I do think there are those who would like to see that done so there is no infrastructure in place so people would have to leave. The young people that would like to stay here cannot. I watched a drain in the early 1960's in the State. A lot of people had to go outside. Fortunately, we were able to discover oil and kept a lot of our kids in the State, and I would like to see that continue.

I want to thank you all for being here, and I know that you have great faith in this, and just on the private level, the beard may be gray, but the heart is young, and I am going to help you win this battle, and it is going to be a long, drawn-out process, but I hope that when we finally get this thing settled, you will have a lot more comfort margin to think there will be a future in the Southeast area, because I am confident there will be.

Thank you very much.

The next panel will be Tim Bristol from Juneau, Vicki LeCornu from Hydaburg, Sylvia Geraghty from Tokeen, and Wes Morrison. Take your seats, and I am going to go see a little man about maybe buying an airplane ticket.

[Recess]

The Chairman. This is Panel Number IV. We have Tim Bristol, Vicki, Sylvia, and Wes Morrison.

Tim, you are up first.

STATEMENT OF TIM BRISTOL, JUNEAU

Mr. BRISTOL. Mr. Chairman, my name is Tim Bristol. I work as the grassroots organizer for the Southeast Alaska Conservation Council, a coalition of 15 grassroots groups based in 12 communities throughout Southeast.

SEACC strongly opposes your bill. This is possibly the worst piece of anti-conservation legislation yet introduced by the Alaska congressional delegation. This bill, which you have tried to disguise as a State's rights bill, is actually a corporate wish list which hands over public resources to a powerful few at the expense of many. This bill does not allow Alaskans a larger role in the decisionmaking process, as you claim, but will, in reality, completely insulate the public from decisions affecting their forest home.

As State Senator Robin Taylor has made so clear in his written statements, the real nature of this bill is to turn over large portions of the Tongass to private hands. This is a terrible idea. Why? Just take a look across Clarence Strait. Many in Ketchikan allowed one man, Louisiana Pacific's CEO, Mark Suyen, to engage in what I would characterize as extortion. Suyen only cares about one thing—his rich company's bottom line. He says it will pull the plug on KPC's hard-working employees if it does not receive billions more board feet of Tongass timber and millions of dollars of additional taxpayer subsidies. Too much power is already concentrated

in the hands of one man, and now you want to give him more. So much for Alaskan independence.

Privatizing the Tongass also means no trespassing signs in places where we once visited to hunt and fish. How would folks in Thorne Bay like to be denied access to the banks of the Thorne River? That could happen here with the passage of this bill.

Another dangerous portion of this bill is it calls for the creation of five new Native corporations, which would then be allowed to select at least 200,000 acres of our forest. This solution to the landless Native issue is a disaster waiting to happen. At this time, there is no official determination whether the landless Native claims are valid. A full public review must be completed, and if the claims prove legitimate, then the public must work to find a solution acceptable to all Tongass users.

Mr. Chairman, I suggest you take a drive from here to Craig, paying close attention to the devastation in the Big Salt area before pushing any Native claims bill which would do the same to other parts of the Tongass.

Also, it is beyond belief that at the same time you are holding these hearings, you are trying to ram this through Congress as an amendment to the Presidio Parks Bill presently in conference committee.

I also wanted to point out there appears to be a ridiculous double standard at work here today. In championing this radical proposal, you have relentlessly attacked what is described as distant decisionmaking by Forest Service bureaucrats in Washington, D.C. In all fairness to the Forest Service, they recently held 32 public hearings on the proposed provisions to the Tongass Land Management Plan. You, by comparison, have held a mere four invitation-only hearings, two of which were scheduled at the worst possible time of year for working folk.

If anyone has short-circuited the public process, Mr. Chairman, it is you. As a matter of fact, at your February 15 hearing in Wrangell, I was actually ordered to take down a small video camera in a blatant display of censorship. While the concept of State rights may sound appealing to many, closer examination of this bill reveals it to be a radical proposal that guts 15 years of conservation law in Alaska. From a Prince of Wales Island standard prospective, protection for Kartar Rivers, Calder-Holbrook, Salmon Bay, Outside Islands, South Prince of Wales Wilderness, and Nutkwa would be eliminated. The bill would also certainly seal the fate of Honker Divide, the treasure I had the privilege of dragging my canoe through a couple of weeks ago.

And, for all you Ketchikaners, kiss Misty Fjords and Naha goodbye. Fishermen, you stand to lose, as well. Not only will Noyes, Baker and Lulu Islands, as well as Salmon Bay, Kartar River, and Nutkwa be stripped of their protections guaranteed as part of the Tongass Reform Law, but you would lose your hard-won, 100-foot, no-logging buffers around salmon streams, as well. This is just a small sampling of the rash irresponsible proposals laid out in H.R. 2413.

The bill also resurrects the Alaska Pulp Company's long-term contract, even though the people of Sitka do not want it. The fact is, the APC mill never stood on its own two feet. Its survival was

dependent upon huge Soviet-style price supports. In these times of declining oil revenues, how can we possibly expect to pay the millions necessary to keep this mill operating—the Permanent Fund maybe?

And what about the KPC mill? What is it going to be, Mr. Chairman, do you want the feds out of Southeast or not? While pushing this State's rights bill, you are also pushing the KPC contract extension bill, which would guarantee at least 23 more years of joint Federal/corporate dominance over the Tongass. I guess, to coin a phrase, it is easier to complain than it is to lead. Unfortunately, you and other members of the Alaska delegation seem content to practice the politics of division. The harsh truth is: None of your proposals do much for the people of Thorne Bay or Prince of Wales over the long haul. Instead of holding field hearings with high-minded concepts which stand little chance of becoming law, let us focus our time, money, energy, on what will and what will not work here on the island. How about financial assistance for Steve Seley's proposed facility at Tolstoi Bay or low-interest loans and marketing assistance so we get every dollar and employ as many POW residents as possible from island-based facilities like the Viking mill in Klawock, and how about more help for Alaska fishermen searching for new ways to sell their salmon?

These are just a few quick ideas I have gathered from talking to folks on POW. You have it backwards, Mr. Chairman. You introduced an atrocious bill, then went to work manufacturing consent for it. If you truly believe in State rights, I suggest the next time you visit Southeast, leave your political agenda and your bad bills back home in Washington, D.C.

Thanks.

[Statement of Mr. Bristol may be found at end of hearing.]

UNIDENTIFIED SPEAKER. That is the biggest crock of BS——

The CHAIRMAN. I always enjoy it because it is the same testimony I have heard at every hearing, the exact same thing by somebody who has been writing back in Juneau, and it would have felt better if you had done it yourself.

Mr. BRISTOL. Well, to be perfectly honest——

The CHAIRMAN. Vicki, you are next.

STATEMENT OF VICKI LECORNU, HAIDA TRIBE

Ms. LECORNU. Thank you, Congressman Young.

My name is Vicki LeCornu. I am from the Haida Tribe. Thank you for the opportunity to provide testimony. I hope you enjoy your stay on Haida Gwaii.

Today the Native people merely subsist on the Tongass. No longer can we make a living in our own country. The non-Native economy is built upon what was but 24 years ago our tribal heritage. We are no longer participants in the fisheries in our area but must sit on the sidelines as our fishing rights are outlawed by the State of Alaska or more of our traditional lands are withdrawn for other purposes.

The Federal protections in ANILCA derive from the trust responsibility of the Federal Government to maintain the tribe's continued freedom to use and occupy lands important to the lives and welfare of the Haida people. Through ANILCA, Congress sought to

provide for conservation and subsistence. To us, ANCSA, ANILCA promised to provide economic life for our villages by assuring access to the resources necessary to drive their economies. The establishment of corporate institutions to act as the initiators of the economic life in our villages was wrong. The activities of the corporation do not always positively affect the economic health of the villages. The individual prosperity that comes as a result of ANCSA will not assure that the community grows and/or prospers, nor does it assure the growth and development of our Native culture. Only with the healthy, active, credible tribal government can we hope to maintain the tribal heritage and assets left by our ancestors. As Thomas R. Berger wrote: All that I have written in preceding chapters reveals the chaos that will result if shares in the villages are to be sold. To accept that as if it was simply a case of exercising personal choice in an ordinary matter of private law is to use the vocabulary of corporate law to obscure the cultural consequences that will ensue in the villages.

With the enactment of the Alaska Native Claims Settlement Act and subsequently ANILCA, the Alaska Natives exchanged the lion's share of the land and resource wealth of aboriginal Alaska and kept for themselves only a minute residue with which to maintain themselves in the risk-filled currents of the contemporary Alaska economy. The land and resource wealth traded away has allowed the non-Native population not only to subsist but to prosper. If ANCSA was not intended to be a termination act, the State of Alaska and the Federal Government ought to be prepared to meet the special needs of our struggling cultures and to accord them the right of access and use of the land and resources necessary to prosper as members of the Haida tribe.

The Haida tribe does not agree with the findings of H.R. 2413, that this bill is in the public interest to transfer ownership of the Tongass National Forest to the State of Alaska to be managed and operated under the laws of the State of Alaska. Section 6 is entitled "Transition Provisions Outside the Transition Period," and section (c) addresses subsistence use after the patent date. ANILCA has been the Federal law of the land for 16 years and the State of Alaska has yet to comply with the letter of the law.

Granting them authority over subsistence uses would be error and detrimental to tribal groups. Subsection (e) addresses land grants of Native people and beings by authorizing the State of Alaska to negotiate in good faith with the Native people of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell. The Native people in those communities should take a look at the history of relations between Alaska Natives and the State of Alaska. They should know that the State has never sought to benefit or assist tribal governments or what is good for Natives. We do not think this part of the legislation is well-thought-out or researched.

We also cannot support the passage of Senate Bill 1877, a bill to give KPC a 15-year extension.

Thank you.

The CHAIRMAN. Thank you, Vicki.

One thing I want you to be assured—I thought we wrote it well enough in the bill, but you have an opportunity to make sure that when this bill becomes law, your interests are well-listened-to.

We tried our best. We had a lot of input on it, and, by the way, we had no input from the timber industry on this bill, contrary to what is being said. This was my idea of trying to get the states and the people in the states to have more say-so on Federal laws. 835,000,000 acres of land owned by the United States of America, and it produces very little, if anything, and it is—actually, we have accumulated about 20 million acres of land in the last 20 years. The taxpayers bought it. And it goes back to Kelly's testimony: When does it stop?

For those that might think the Federal Government can run the land, I wish they would take the time to go to Russia. The worst environmental damage in the world was done by government ownership, not by tribes, not by states, not by private industry, but by the government. So I really do not want anybody to get caught in that trap the government can do a good job. I do not believe that.

Marc, you are going to give it for Sylvia?

Mr. WHEELER. Correct.

The CHAIRMAN. You are up, Marc.

Mr. WHEELER. Sylvia could not make it. She had an emergency in Tokeen. She really spent a lot of time putting this testimony together. I will just read it.

STATEMENT OF MARC WHEELER FOR SYLVIA GERAGHTY

Mr. WHEELER. "My name is Sylvia Geraghty. I live at Tokeen, on the northwest coast of Prince of Wales Island, and I am a lifelong Alaskan.

"I am opposed to H.R. 2413 for several reasons, but primarily because the State of Alaska is clearly incapable of managing the Tongass. We simply do not have the money, personnel, expertise, nor in the time of declining revenues can we reasonably expect to acquire them. As Congressman Young has stated, large amounts of Southeast Alaska would have to be sold off to private corporations or leased with few restrictions. This land would then no longer be open to the vast majority of Alaskans. Under the terms of the bill, we would stand to lose vitally important protective regulations, such as buffer zones on salmon streams. The health of our top industry, commercial and sport fishing, cannot be forfeited for the sake of an expanded timber industry, which is exactly what this bill is all about: Big corporations, big money, big power, and big greed. It has nothing to do with the wishes of real Alaskans.

"While I agree that the Forest Service has not always made wise decisions in the past, I do think they are doing a much better job of recognizing and acknowledging fact, to listening to public input, and trying to fulfill their mandate. A number of people have said all along that the present timber industry is not sustainable, and they are now being proven correct. I believe that the inefficiency of the Forest Service has been greatly aggravated in recent years by the meddling of our own congressional delegation.

"Were the people who lived here before the 50-year contracts ever asked how they felt about having their lives changed forever, our homes surrounded by clearcuts; prime anchorages turned into blowholes; favorite hunting, fishing, trapping and recreational areas devastated; roads everywhere, much of Southeast Alaska turned into a giant logging camp? The boom-and-bust money

brought by the timber industry has not been an unmixed blessing. The notion that somehow Alaskans instinctively know how to manage the land without making the same mistakes that were made in the Lower 48 is ludicrous. I have heard a hundred stories of how bad it is down there, along with a general belief that it cannot happen here. Well, it can happen, and it will, if we do not take the steps now to preserve and protect those values that drew these people here to Alaska in the first place. Money is not the only value here.

"I am also totally opposed to the proposed 15-year contract extension of KPC. We have been held hostage by this multinational giant for too long now. Not only are they convicted felons for their pollution violations, they were found guilty in the past for causing untold grief and suffering to families and individuals when they, along with APC, callously put over 100 small operators out of business. These fine corporations have not changed their goals; they have only changed their methods.

"If LPK employees want to see their future, look what LP did to their employees in their headquarters' town of Scotia, California, when they closed down their own mills and began shipping logs in the round to Mexico for milling. Or look at their huge new state-of-the-art pulp mill in British Columbia. No chlorine or other toxic chemicals, fully utilized logs—why was not the mill here upgraded instead? We all know why. It is just a matter of time until LP shuts this operation down permanently and continues with their move to foreign countries.

"We need to move ahead with plans to provide for a smooth transition to a smaller, locally owned and operated value-added industry. We need to forget about rewarding LPK with a contract extension, cancel the existing contract, work with the Forest Service toward a truly balanced plan for the Tongass, heal the wounds, and end the warfare."

The CHAIRMAN. Thank you, Marc.

The next one is Wes Morrison, Hydaburg.

STATEMENT OF WES MORRISON, HYDABURG

Mr. MORRISON. Yes. Wes Morrison, Hydaburg.

I was asked to testify day before yesterday. I have made a few small notes. A couple points I would like to make.

On Monday, my 83-year-old aunt brought me a copy of a document signed by her father, Mike Shanaw, and several other people in the village of Hydaburg. It was not dated, and I showed it to several people in the town and—whose ancestors also signed this document.

Hydaburg was founded in 1911, and because of when somebody had died that had signed the document, we figured it was signed somewhere between 1911 and 1924.

Indians back then were nonpeople. The petition was to Congress requesting citizenship, and part of that request was concessions that they were going to make for the honor—I will not enumerate the concessions, but one of them that it was not, they did not agree to turn Prince of Wales Island over to the Ketchikan Pulp Company. That was not one of the concessions.

After I got asked to testify here, I got a copy of the cutting schedule for the devastation that they want to do to this island. The map calls it Tongass National Forest. My grandfather called it Haida country. They do not call it that anymore. It implies ownership.

Nobody came to Hydaburg and said, "We are going to devastate our country because we need to employ 600 people in Ketchikan." Nobody came and asked, "What do you think?" These 600 people in Ketchikan are going to go to Bernie's and buy furniture. Bernie is going to buy advertising from the "Daily News." The "Daily News" is going to run editorials on its front page calling it news, so we have a little loop here, but the whole start of it is the devastation of my ancestors' land.

Nobody came to Hydaburg and said, "What do you think?" Perhaps we still are nonpeople. Perhaps that petition did not do any good. Perhaps.

When I got asked to testify, I asked for a bit of information about Don Young, so I got faxed an article, and part of this process—after you immigrated to Alaska and became a political person—you started out your career as a loser——

The CHAIRMAN. Now, you do not have to get personal. What do you mean a loser? You are a loser if you say that.

Mr. MORRISON. You lost your original election, is what I meant, sir.

The CHAIRMAN. Let me make it clear. I did not lose my original election, so do not talk about that. I won all the rest of them.

Mr. MORRISON. Incredible, and nothing has changed.

The CHAIRMAN. That is right, and it will not change.

Mr. MORRISON. My ancestors, when they thought they wanted to become citizens, they were certain the government would be fair. They were certain of it. As a matter of fact, most people in Hydaburg think the government is going to be fair, even as they see what is happening around them, but they have not seen what is coming.

This map shows what is coming, and it is not going to hit many of them between the eyes until all those trees are gone. They are never going to know what hit them. Right to the end, they are going to be trusting, right to the end. They will look at the map, and it has nothing to do with the reality of what you are doing.

Thank you.

The CHAIRMAN. Thank you for your presentation.

I would make one suggestion, that SEACC asked you to testify; is that true?

Mr. MORRISON. Yes, sir.

The CHAIRMAN. In fact, that is the reason you were not notified, because you were their choice, and we did not know that until yesterday, day before yesterday.

Mr. MORRISON. That is when I knew about it.

The CHAIRMAN. If anything, it is politics from SEACC. They asked you to testify. We did not know about it until yesterday.

Mr. MORRISON. OK. Is that of any significance?

The CHAIRMAN. It is, yes. It was sort of alluded to the fact that we had not informed you in time so you could prepare testimony.

Just out of curiosity, Mr. Bristol, does SEACC support the Forest Service TLMP alternative?

Mr. BRISTOL. No.

The CHAIRMAN. They do not?

Mr. BRISTOL. The preferred alternative?

The CHAIRMAN. Yes.

Mr. BRISTOL. No.

The CHAIRMAN. How many appeals or lawsuits has SEACC filed against the Forest Service?

Mr. BRISTOL. In total?

The CHAIRMAN. Yes.

Mr. BRISTOL. I could not tell you right now, but from the Prince of Wales standpoint, there is not anything tied up right now, and I guess that was what I was trying to get at when you are talking about your proposals.

The reason there is fewer jobs in Coffman Cove right now, there is just not that much left to log on the northern part of the island. Lab. Bay is closed right now.

The CHAIRMAN. Just out of curiosity, how many independent sales have been made on Prince of Wales?

Mr. BRISTOL. I do not know. You have to ask the Forest Service.

The CHAIRMAN. How many lawsuits does SEACC have now against the Forest Service, right now?

Mr. BRISTOL. Well, there was the Poison Cove part of that timber sale the other day.

The CHAIRMAN. How about AWRTA?

Mr. BRISTOL. That settled, but it also releases another 120 million board feet from the CPOW sale for harvest.

The CHAIRMAN. How much is the original level?

Mr. BRISTOL. How much was originally supposed to be sold?

The CHAIRMAN. Yes.

Mr. BRISTOL. I am not sure of the original.

The CHAIRMAN. It was about three times that much, twice as much.

Mr. BRISTOL. That was not just SEACC that was part of that. That was also the Alaska Wilderness Recreation——

The CHAIRMAN. You are all together.

Mr. BRISTOL. It is not the same thing. They are business owners, and they depend on those anchorages to stay intact to make money, and it was also the organized Village of Kake was trying to protect subsistence resources.

The CHAIRMAN. You made the statement about the landless bill. I heard that yesterday. I have been involved in the landless issue for about 12 years, and you oppose the Natives receiving some land?

Mr. BRISTOL. No. We do not want to see the same thing that has happened with the for-profit corporations as we have right now. There is nothing left——

The CHAIRMAN. You want to dictate to Native people how they should manage their land?

Mr. BRISTOL. No.

The CHAIRMAN. But, then, you object to the bill that I have introduced to make sure they get their land.

Mr. BRISTOL. First of all, there has not been any determination as to whether the claims are valid or not.

The CHAIRMAN. You have to remember one thing. There is a report to Congress that says they are.

Mr. BRISTOL. No. The report does not say that. It does not meet the three-part criteria.

The CHAIRMAN. Remember where ANILCA came from. Remember where ANCSA came from. Where did it come from?

Mr. BRISTOL. It came from Senator Stevens. Senator Stevens has not admitted the five villages were left out.

The CHAIRMAN. What Congress did before they can do again. Is that true?

Mr. BRISTOL. Yes.

The CHAIRMAN. Now, if the Congress decides that these villages are, in fact, entitled to that land, they will get that land.

Mr. BRISTOL. And all we are saying is before you go and you hand over 200,000 of the Tongass to these for-profit corporations that do the same things that Klawock Heenya has done and Sealaska has done and Huna Totem has done, it has to be a full public process, because everyone that lives there gets impacted by that.

The CHAIRMAN. But you do not like the for-profit Native corporations? You do not want the Natives to make a profit?

Mr. BRISTOL. That is not necessarily the point, but we want to make sure all options are——

The CHAIRMAN. It is a point——

Mr. BRISTOL. First of all, you would not find consensus among Native people——

The CHAIRMAN. I understand that, and I worked through this very carefully. This is not—by the way, the reason I bring this up is because your group has accused me of doing this because of the pulp mill. The truth of the matter is I have been working this landless bill for about 10 years, and I have worked very closely with the landless people, trying to talk to them and encourage them to make the correct selection. I, very frankly, worked very closely with these groups, and if they decide not to choose the land on the Tongass, under my bill they can choose elsewhere.

Mr. BRISTOL. But have you given the option of choosing what kind of government they want? Do they want to be a corporation? Do they want to have tribes that control these?

The CHAIRMAN. Now you are deciding what they want.

Mr. BRISTOL. No, but there are a lot of people in the community——

The CHAIRMAN. Let us let Vicki speak.

Ms. LECORNU. I belong to a Native corporation, and I always speak about the devisiveness it caused. It was not a choice to us.

The CHAIRMAN. I understand that.

Ms. LECORNU. That is probably the difficulty that Tim is talking about. We do not want to drive it down their throat. We want to give them a choice. Well, what do they want? Do they want a corporation? Well, we know the corporations were a mistake for us.

The CHAIRMAN. Vicki, under my bill it says the boundary of the land for purpose of historical, cultural, economic, including timber, tourism, recreation, development, and subsistence. That will be the decision you have to make.

Ms. LECORNU. Can I make a comment on that?

The CHAIRMAN. Yes.

Ms. LECORNU. As far as the first land claims, ANILCA was remedial legislation for the subsistence, and I have stated that we have not had any compliance from the State of Alaska. We are still looking for that promise that was made to us.

The CHAIRMAN. By the state.

Ms. LECORNU. By the Federal Government for our land claims. What I am talking about is termination. Are we going to have a termination act like the first land claims? Is it going to be termination? My daughter is not a shareholder.

The CHAIRMAN. She could be. You can vote for that now.

Ms. LECORNU. Right, but she should have been entitled to it before I had to vote on it.

The CHAIRMAN. Was she born when it was passed?

Ms. LECORNU. No.

The CHAIRMAN. That is what it said, at that time. Now it was amended, and I helped put that amendment in, where now she can become a shareholder if you decide she can be.

Ms. LECORNU. I still do not still agree that is a very fortunate situation to be put in.

The CHAIRMAN. I understand that, but that is, like I say, yesteryear, and that was 1971, when Mr. Morrison—very frankly, I was not elected in 1971. I was elected in 1973. And that was after that act, but I have worked very closely with that act, trying to implement what is correct because you have asked me—none of these ideas are mine. I did not think up the landless bill. That came right from the landless groups. It came to my office about ten years ago and said this was not fair. We were defranchised. Not only did we not receive the money, we did not receive, in fact, land B.

I want to thank you for testifying. I appreciate your input. I understand we do not agree. I do thank you very much.

Next panel, Panel V, Brad Powell.

Mr. Powell has had the privilege and the honor and the opportunity to be cleanup batter, I believe, twice, and I have asked him respectfully to submit his testimony orally and written and both times I think he has done an excellent job.

Mr. Powell you are up.

STATEMENT OF BRAD POWELL, FOREST SUPERVISOR, U.S. FOREST SERVICE, KETCHIKAN

Mr. POWELL. Thank you, and I will be very brief today as I know you have heard many of these comments in previous testimony from the Forest Service.

I am pleased to have the opportunity to discuss the management of the Tongass National Forest and present the Administration's views on H.R. 2413. The Department of Agriculture opposes enactment of this bill.

For over a hundred years, during good economic times and bad, public lands have been a source of goods and services that supply local and regional economic growth and diversity. The national forest system, covering more than 191 million acres, is an important part of these public lands.

By and large, Forest Service stewardship has been a success. Through multiple-use management, a concept that balances envi-

ronmental health with human needs, the national forest has provided substantial economic benefits to surrounding communities.

We recognize that some people disagree with certain aspects of our current management efforts. Some believe that we cut too much timber and some believe that we do not cut enough. We urge you not to pursue a policy that would lead to the dismemberment of the national forest system but instead recognize that conflict and controversy are inherent parts of natural resource management which cannot be fixed by shifting responsible from Federal to State management.

This proposed legislation would adversely affect efforts toward accomplishing economic stability and, conversely, could create additional economic uncertainty. It would undo the long-established relationship the Forest Service has developed with the State of Alaska, local governments, and Alaska Natives. It would also change the flow of economic benefits that Forest Service programs have created for the 33 communities and local governments within the Tongass.

The Forest Service shares 25 percent of all revenues from timber sales and other activities on the National Forest. In 1995, this amounted to $7.6 million. The economy of Alaska would further be affected by the loss of an estimated 60 to 80 million dollars per year the Federal Government spends to operate programs on the Tongass at the current level.

Historically, issues surrounding the Tongass have been contentious. While the Forest Service is proud of all we have accomplished over the last 90 years, we do not pretend that everything is perfect. We have acknowledged that the competing uses desired by our neighbors, partners, and owners has dramatically increased the debate surrounding how Federal lands should be managed. These conflicting needs and philosophies are perhaps more keenly felt here in Alaska than anywhere else in the country.

We believe that there are many things that we can do to improve our relationship with the public and the management of the resources in the coming years. We have been working to revise the Tongass Land Management Plan and continue to involve the public, our partners in State government, and Federal agencies to assure that the needs of the people of the Tongass and the United States are met in our plan.

In closing, let me reiterate that we are proud of the 130 years of public ownership of these lands by the people of the United States and the more than 90 years of resource stewardship by the Forest Service and the relationships we have built with our neighbors, our partners, our customers, and our owners.

We are proud, too, of our accomplishments for the people of Alaska and the resources of the nation. The Forest Service has managed and will continue to manage the Tongass with public input, scientific and economic analysis, and sustainable natural resource practices while complying with the law. We recognize that improvements can be made in our management practices. We are working diligently to maximize the value of the Tongass National Forest to the residents of Southeast Alaska, as well as to the other owners of the Tongass and the rest of the United States. We look forward to working with you, Mr. Chairman, and our neighbors and owners

to enhance the uses and management of the resources of the Tongass.

The CHAIRMAN. Thank you, Brad. One thing. Yesterday, when Gary gave his testimony, if we have no sales, you have got no stumpage; is that correct?

Mr. POWELL. That is accurate.

The CHAIRMAN. If we have no sales, we have no Forest Service employees?

Mr. POWELL. You would have less Forest Service employees. We have some other responsibilities other than timber sales, but you would certainly have a reduced work force.

The CHAIRMAN. The reason I am saying this, the testimony we had from the Forest Service says look how much money we are putting in—of taxpayers' money we are putting in the community, but if you are not there, that does not occur. You do not have stumpage fees—which goes to the schools. You do not have people buying things and that type of thing. It is just not there. So that means it is an additional hit upon the communities if there is no participation by the Forest Service.

Mr. POWELL. That is correct.

The CHAIRMAN. How many less employees would you say, if KPC was to close and there would be no pulp mill—by the way, they could walk away today. The company could walk away today and the company would not be hurt. What would be hurt is everybody that is employed is dependent upon that mill to cut the trees.

Now, how many employees do you think you would have less if KPC were to shut down?

Mr. POWELL. This is pure speculation, but we have a couple hundred employees in the Ketchikan area, and I would say somewhere around half of those employees are associated with the timber program, something in that neighborhood.

The CHAIRMAN. So we lose half of that so-called economic base right there.

Mr. POWELL. That is just an estimate.

The CHAIRMAN. Again, this bill is not about your management. This is about if it could be managed better.

Now where did the concept—in your mind, did the conservation areas come from?

Mr. POWELL. The HCAs?

The CHAIRMAN. Yes, where did they come from?

Mr. POWELL. I am not sure how to answer you, Congressman Young. I am not sure if you mean——

The CHAIRMAN. Did they originate here, or did they originate someplace back in Washington, D.C.? Where did the idea come from?

Mr. POWELL. The concept of HCAs or habitat conservation areas I believe was actually started in the Northwest as they dealt with——

The CHAIRMAN. Jack Ward Thomas.

Mr. POWELL. [continuing]——the spotted owl. That same biological concept is what we are using.

The CHAIRMAN. Outside of Alaska?

Mr. POWELL. The HCA concept——

The CHAIRMAN. Which reminds me, one of my pet peeves that I use from time to time, the goshawk, where did that come from, the circle for the goshawk?

Mr. POWELL. Again, a lot of these biological concepts have been developed in other parts of the country. The management for goshawks, a lot of that has been researched in the Southwest and the Northwest.

The CHAIRMAN. The reason I say, it goes back to my bill, again. If that was under State management, there would be no concept of that hawk, even under the Endangered Species Act, because, if I am not correct, Fish and Wildlife says it never existed.

Mr. POWELL. I am not sure that is accurate, but unless it were a listed species, then the Endangered Species Act would not apply, and then——

The CHAIRMAN. How much timber was not offered up for sale because of that so-called goshawk?

Mr. POWELL. I cannot tell you because I do not think we have really offset, at least on the Ketchikan area, many of our sales just for the goshawks.

The CHAIRMAN. As I understand it, it is about 300 miles square, which is an awful lot of timber, each circle. What I am saying is—I am not picking on you. I am just saying this, again, goes back to what I said before. This came from somebody outside.

Mr. POWELL. I think the key thing, and I do not want to get too much in depth on it, but the HCAs are done for more than the goshawks. If you look at just the HCAs, that has had more impact on the timber availability. Just the goshawks themselves, in the current draft of TLMP, only have a hundred acres of habitat set aside. So the goshawks, themselves, set aside much less habitat in the HCA——

The CHAIRMAN. I have asked you this before and I am going to ask you again because we are establishing the record. Were any of the other nine million areas studied for HCAs?

Mr. POWELL. Yes, they were.

The CHAIRMAN. To the extent that the remaining 1,400,000 were?

Mr. POWELL. Let me answer it to you this way. There are actually in the current plan three million acres that are in HCAs. Two million of those acres are on nonsuitable timber lands; actually, two-and-a-half million of those.

So we looked at all the lands. The acreage you often hear about is the half-a-million acres that came from the suitable land base, but they are actually established in wilderness and in the LUD IIs.

The CHAIRMAN. But it is about a million acres, if I am not mistaken, of the timber base that Congress allocated under the Reform Act of 1986 to put in HCAs.

Mr. POWELL. About a million acres that is the timber base—about a half million acres of that was suitable lands, lands that were actually available for harvest. So it is about a reduction—if it were in the preferred alternative—a reduction of about half a million acres.

The CHAIRMAN. As a forester—you can go as far as you want on this—what makes any conservationist or any forester say that they

are not compatible, the goshawk or something else, that cannot be compatible?

Mr. POWELL. Again, let me ask, sir. I am not sure what you mean by "compatible."

The CHAIRMAN. If we stop logging because—suppose it was not compatible, but you are a manager of logging—and I go back to my private-sector logging industry, which is now providing two-thirds of the fiber in the Nation today, not the national forest, which has over—remember, they only have one-eighth of the land mass—they also manage it for conservation. They also manage it for Fish and Wildlife. Are we doing any of that?

Mr. POWELL. We certainly are.

The CHAIRMAN. Where?

Mr. POWELL. The issues are HCAs, though, that you bring up and the reason that they are in the preferred alternative at this point really deals with trying to apply what we see is the regulation to deal with viability of wildlife species, and that deals with both the distribution and persistence of wildlife species, and it is a concern not about the loss of those species; it is a concern about the amount being distributed in a similar manner as they are today.

To be more specific, that would mean that, for instance, wolves or goshawks might not be found on north Prince of Wales Island anymore, not that we would not have wolves anymore, and that is the real issue that HCAs are designed to try and address.

The CHAIRMAN. Use of HCAs in the Tongass, was there any data from Alaska put into these programs?

Mr. POWELL. There is some data.

The CHAIRMAN. Some. Most is coming from outside, by outside forests, by outside heads above you?

Mr. POWELL. The majority of work on HCAs has been done in other parts of the country.

The CHAIRMAN. I think that is the frustration I face and people in this room face, other than those that want to have no logging at all. Again, it goes back: Why are not you making the decision? Why is not Mr. Janik making them or Gary making the decisions? Why does it have to come from outside?

Mr. POWELL. We do not—as you well know, we have been harvesting timber here in Southeast Alaska primarily only for the last 40 years. We do not have the research base here that they have in other parts of the country.

The CHAIRMAN. How can they research from abroad and make decisions for Tongass?

Mr. POWELL. A lot of the research, we think, is applicable, but we would certainly like to have more research locally, and we are in the process of trying to develop that.

The CHAIRMAN. One thing about it, Brad, this meeting would never have been held if, in fact, the Forest Service was managed as it was before by the local control. I remember Sanders and Mike Barton, they made decisions, you made decisions. Decisions were made with the community, and there was the same controversy then, but it was made in the community and you had to live with it.

I get a little frustrated when decisions are now made by the White House, by Jack Ward Thomas, who truly believes no tree should be cut. I argued with him for hours and hours and he says he does not, but every case he has been in, he has shut down any harvesting, and it makes it very difficult to manage the trees.

I go back, now. The health of the national forest, according to every scientist I have talked to outside of the timber industry, says it is very unhealthy. Now, as a forester, I think you have to agree.

Mr. POWELL. We certainly have an old forest here in Southeast Alaska, other than where we have harvested, and in terms of just the tree health and vigor, there is no doubt that we have a lot of decline in those older stands. Some of those older stands are, of course, important for wildlife and other needs, but certainly the health of our trees, we have many of them that are in poor shape.

The CHAIRMAN. And that causes other health problems, is what I am trying to say. You have seen what has happened in the Southwest. We have lost a million-six this year, a million-seven, 2.7 million acres in fires this year, and we lost 18 billion board feet last year. The estimates, now, we are going to lose the eastern side of the Sierras. It becomes a desert because of lack of management.

Somewhere along the line this whole philosophy about how the forest should be protected has to include the word management. As a forester, I hope you agree with that, because there is no management in preservation. There is no management in wilderness. That is an absolute misnomer. A wilderness is never managed, not even for fish. For the fishermen, I want you to keep that in mind. There is no management for fish.

Mr. POWELL. I only agree with you that we believe the forest should be managed.

The CHAIRMAN. That is what we are seeking. As I said, this hearing would never be necessary if we had management on the local level instead of from Al Gore and his moonbeams, and that is our big problem right now. I know where it is coming from. I aim that right at him, direct access. I have known him when he was in the House, but my goal is for you to do what you said in your statement, and I told Gary this and Mr. Janik.

I will defend you if you make a decision and stay by it. That is a broad scope. It is when you got short-changed—the decision on that extension of the contract, there were three proposals made. Mr. Gore took the last one, canceled the extension of the contract. He had other alternatives. KPC—he had other alternatives, five-year, ten-year, 15-year alternatives, with all the stipulations, and I heard talk about the corporate dream and everything else.

And I want to tell you something else. That mill could shut down and Mr. Soon could walk away and you will not have a pulp mill in Southeast Alaska, and if you do not have a pulp mill, you will not have any other sales because you cannot offer a sale unless we go back to high-grading.

Mr. POWELL. It is my opinion as a manager and a forester that we need a mill, some way, to utilize that low-value wood. Whether it is a pulp mill or some other type of a mill, that is what the market will decide.

The CHAIRMAN. Here is my problem. If you have another mill, it has to meet all the environmental qualities. No one is going to in-

vest in that type of an investment if they do not have a guarantee of timber, and that means they have got to have a long-term contract because they are not going to invest $250 million, and I do not blame them, but what I am worried about is the people in this room that have jobs, the people that have small businesses, et cetera—because, as I say, that mill could shut down, close the doors, just like they did the Sitka mill. That did not hurt George at all. He walked away with no headache, but it has affected that town, and if that happens in Ketchikan—again, I do not think any of this would have happened if it was under State control because the governor supports it, finally, all the legislative bodies, both sides of the aisle support it, and I do believe—you cannot say it—I think the Forest Service supports, but back east they do not.

Mr. POWELL. Just to comment on that, and I know there is lots of disagreement in the current draft preferred alternative, but it is certainly the intent of the forest supervisors that made that decision that there would be adequate timber to supply the needs of the industry, including meeting the contractual obligations of KPC.

Now, as we go through this and further refine with public comment, we will see if that assessment that we have made and if that is what the public still wants, but that was one of the parameters of that preferred alternative.

The CHAIRMAN. I think you are sincere. You probably failed the contract because, if not, you will go to court. As you know, the Supreme Court the other day ruled that government cannot go around changing contracts, and that is going to have far ramifications for Sitka and Ketchikan and probably going to cost the taxpayers millions of dollars, but, again, it goes back, if we have an environmentally sound mill, it is going to take a huge investment. If they do not have that guarantee, they are not going to make the investment. They will run until the end of five years, and then we have got a serious problem all over Southeast, and those that do not want any logging will be happy. I understand that. They will be the first to say we are going to have added-value entrepreneurship. You still have to sell a sale of timber, and you cannot sell one tree, to my knowledge. Under the Forest Services practices, you have to take, in Southeast, the nonsalvagable tree, because otherwise we are high-grading, which we did in the 1930's and 1940's and actually during the war. We did quite a bit of that. A lot of the best timber stands we have today are where we did some logging in the 1940's and they left the old trash on the ground and everything else.

Mr. POWELL. Just another comment on the KPC extension, and I know you know this—I am not sure some of the folks may understand that, thought—our position on that, the Forest Service position, is, really, we do not have the authority to issue that permit, so we are not—or that contract extension, so you are not hearing from us yes or no. It is an appropriate issue for Congress to deal with, and I think the hearings next week will start to kick that off, but that has not been our position for or against. It is just outside our authority to extend that——

The CHAIRMAN. And I do believe you will fulfill the remaining years of the contract, and I agree with you. Congress originally granted those contracts. It was a congressional action. It was not

the Forest Service. And that is our responsibility to do it or not do it, and we will be addressing that next week.

Again, Brad, I want to thank you, and I would feel much better if Phil Janik—although, like I say, he is still in my doghouse. A heart attack is an excuse once. The second time it is not. But Gary showed up and you showed up both times, and I would feel much better if that responsibility of making decisions—because you live with the people—was made here. I do not feel comfortable with it being made in Washington, D.C. That is the intent of my belief.

I happen to believe so strongly that local people should have the input, should have the power, and should have the ability to make the decision how it affects their lives. It should never be done by centralized government. That is just my own philosophy and has been for years. Our strength and our Constitution, very frankly—and I sort of get a little concerned when someone says I said "sell land." I said nothing about selling anything. My concept is the closer to government the people are, the better the government you have. If you do not have it close to the people, eventually the people will turn against the government, and that has begun across this nation and it is not healthy, and it puts you in a terrible position, including myself, and if you believe in this great America, you have got to have a relationship of partners and people, people with the government, not the government doing it to the people.

So I do thank you for your time and effort and good luck to you and hope you have a nice 4th.

With that, I do thank everybody for being here today, and this meeting is adjourned.

[Whereupon, at 12:30 p.m., the Committee was adjourned; and the following was submited for the record:]

My personal view is:

A. The Bill presently requires the APC contract to be reinstated with the requirement that it be sold to a third party who would agree to construct a manufacturing facility in Southeast. Such a re-instatement would likely increase competition for available timber to Sitka's further detriment. Rather, if, as I suspect, the APC contract was improperly canceled, the Federal Government should bite the bullet and pay APC proper damages.

B. The Bill presently mandates a Tongass land grant to the Native people of Haines, Ketchikan, Petersburg, Tenakee, and Wrangell totaling between 115,200 acres and 230,400 acres. This idea has been kicking around for 25 years and carries little support in Sitka. It is highly divisive and should be separated from the Bill and stand or die on its own merits.

C. Major issues not solved by your Bill are the Endangered Species Act and the Wetlands Protection Act. Improperly wielded, they can be used as federal clubs to impose national ideological mandates that don't fit the circumstances of Southeast.

Southeast Alaska Conservation Council

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STATEMENT OF
ROBERT E. LINDEKUGEL, CONSERVATION DIRECTOR
SOUTHEAST ALASKA CONSERVATION COUNCIL

HEARING ON H.R. 2413,
THE TONGASS TRANSFER AND TRANSITION ACT

BEFORE THE
U.S. HOUSE RESOURCE COMMITTEE
IN SITKA, ALASKA, JULY 3, 1996

Mr. Chairman,

My name is Robert E. Lindekugel, conservation director for the Southeast Alaska Conservation Council. For the record, SEACC has already submitted more than 24 pages of written testimony to this Committee on your wrong-headed bill.

Our guiding principles of free speech and informed decision-making by members of Congress, have not been served by your hearing schedules and format. The totally stacked deck at February's hearings in Wrangell and Ketchikan represented one of the most outrageous attempts to build a record in your favor that we have ever seen. These hearings look like more of the same.

One of the most outrageous things about your efforts is this: You yourself have stated several times that this bill stands no chance of becoming law. We both know that you can't get this bill passed in the House of Representatives or in the Senate. Even Senator Craig Thomas, who has introduced a bill to transfer Bureau of Land Management public domain lands to Western States, has stated that your bill goes too far. You are again wasting the taxpayers time and money by holding these hearings. These hearings represent election year politics at their very worst.

One other note on hearings. We've heard you and others state that the House of Representatives didn't hold hearings in Alaska prior to passage of the Tongass Timber Reform Act. In August of 1987, members from the House Committee on Interior and Insular affairs held an extensive fact-finding trip prior to taking action; a trip which was aimed at listening to people from all walks of life and from communities, including Pelican, Juneau, and Sitka. You failed to join the Committee on that trip. Furthermore, the Senate held two hearings in Sitka and Ketchikan prior to taking action on the TTRA.

Ninety-four (94) persons testified at the April 24, 1989 hearing in Ketchikan, and another ninety-six (96) testified at the April 25, 1989 hearing in Sitka. Unlike your hearings on H.R. 2413, the TTRA hearings were open and fair.

SEACC strongly opposes your bill, and here are some reasons why:

If Ever Passed, H.R. 2413 Would Spell The Beginning Of The End For Our 100 Year Tradition Of Public Ownership Of National Forest Lands.

This extremist bill really represents a radical reversal and re-write of almost 100 years of national forest policy in Alaska and across the U.S.A.

Republican President Teddy Roosevelt established the Tongass National Forest in 1907 -- 99 years ago. President Roosevelt's idea for our national forests was that they were to be managed for "the greatest good for the greatest number in the long run."

H.R. 2413 directly contradicts this principle of public land stewardship because the long term goal of your bill represents the ultimate "lock-up" of formerly public lands and the "lock-out" of the public when these lands end up in private hands. The former Tongass would be reduced to ridge to ridge clearcuts and tons of no-trespassing signs --- across lands which were once open for public hunting and fishing.

Teddy Roosevelt once said....."I'm opposed to the land-skinner every time". Your bill fully embodies the attitudes and arrogance of the land-skinners and robber barons, who would love to own their own private chunk of the Tongass.

One of the worst parts of your bill is that there is no prohibition or limitation against the sale of lands in the Tongass to the highest bidder. Thanks to State Senator Robin Taylor, we've confirmed the real intent of your bill. This bill is not about a simple transfer of the Tongass to the State of Alaska ---- the real goal is to turn these public lands over to private hands. In a letter written to a Montana State Senator, Senator Taylor declared his goal for state management of the Tongass. He wrote, "Hopefully, a large portion of this acreage will eventually be conveyed to the private sector." This one sentence makes the goal of your legislation perfectly clear. Senator Taylor will be a leading player on how the State of Alaska makes decisions about these public lands if the State ever gets them. If you and Senator Taylor get your way, these lands which have always been open for public hunting and fishing will be sold off, covered with "no trespassing" signs, clearcut, dug-up, and locked away from the public.

We hope all of America is watching this bill because it would set an unbelievable precedent which would destroy our public lands system, from sea to shining sea.

H.R. 2413 Guts 15 Years Of Conservation Law In Alaska

Your bill totally removes over 15 years of hard-fought conservation protections (and compromises) adopted by Congress. It removes the protection of watersheds and salmon stream buffer zones supported by commercial fishing groups, Native interests, recreation and tourism businesses, more than 15 Alaskan communities, and the Governor of Alaska. See Attachment 1. Congressman Young, you even voted to protect many of these areas when you voted for the Agriculture Committee's version of the TTRA in 1989.

The bill repeals all the Tongass protections enacted by Congress in the Alaska Lands Act of 1980 and the Tongass Timber Reform Act of 1990.

- The bill repeals Wilderness and National Monument designations for places like Misty Fjords, Admiralty Island, Petersburg Creek, Chichagof-Yakobi, and the Stikine, Chuck, and Karta Rivers.
- The bill repeals permanent protection, as legislated LUD II areas, for key commercial fishing, subsistence, wildlife, tourism, and recreation watersheds, including Naha, Kadashan, Anan, Berners Bay, Point Adolphus, Mud Bay, Lisianski River and Inlet, Upper Hoonah Sound, Calder-Holbrook, Salmon Bay, Nutkwa, Yakutat Forelands, Trap Bay, and Outside Islands.
- The bill repeals minimum 100 foot no-logging buffers now required on salmon and resident fish streams.

H.R. 2413 Would Hand Over More Than 200,000 Acres Of Prime Public Forest Land To Five NEW For-Profit Native Corporations.

This bill grants recognition to these five NEW Native corporations even though a careful public review has never taken place that concluded that any of these corporations deserve recognition.

It is beyond belief that at the same time you are holding these hearings, you are trying to ram this public land giveaway through Congress without a public hearing or debate in an amendment to the Presidio Bill currently in Conference Committee. On top of this outlandish giveaway of public forest resources, your Presidio amendment uses these Native claims to achieve a primary legislative objective of the Alaska delegation -- to delay the completion of the Tongass Land Management Plan (TLMP) Revision. According to the Presidio amendment, the Forest Service would be required to consult with the NEW corporations, fully consider and analyze all their recommendations for land selections, report to Congress within nine (9) months an analysis of the impact from these selections on the TLMP, and "incorporate all appropriate recommendations from the Southeast Native Corporations" into the final TLMP. See Attachment 2 (Landless/ Presidio Parks Bill Amendment, June 18, 1996).

In a synopsis for the Landless/Parks Bill amendment, Sealaska points out that the University of Alaska's Institute of Social and Economic Research (ISER) prepared a

report looking at the question of why the communities of Haines, Ketchikan, Petersburg, Tenakee and Wrangell had been denied eligibility to form village or urban corporations under the Alaska Native Claims Settlement Act of 1971 (ANSCA). This synopsis wrongly claims that the report concluded these communities met the eligibility requirements for villages eligible to form Native corporations. It also claims that the ISER Report found no justification for omitting these five communities from those communities eligible to form urban or village corporations under ANSCA. However, a December 7, 1993 letter from ISER Director Lee Gorsuch (Attachment 3, emphasis added) corrected these falsehoods in a news story on the draft report:

> "The study villages were not ... denied all benefits under ANSCA. Qualified residents of those villages received cash payments, and they are at-large members of Sealaska regional corporation.
>
> We did not ... make a finding that Congress had inadvertently omitted the study villages from land benefits, nor did we recommend that Congress should now award them land. We did not ... say that the study villages were entitled to the same economic benefits as Southeast communities with village or urban corporations have received. ..."

In a May 29, 1996 letter from ISER to SEACC (Attachment 4), ISER confirmed that "[t]he report content did not change substantively between the draft and the final version."

This bill has less to do with Native claims than it does with guaranteeing that vast areas of the Tongass presently off limits to large scale logging will be taken from public ownership and clearcut without public scrutiny. **We must note that lands threaten by the Land Grants to Native Corporations provision in H.R. 2413, and the New Native Corporation Amendment in the Presidio Bill, will surely include areas permanently set aside from logging by Congress in the Tongass Timber Reform Act.**

Your bill would reopen fundamental decisions regarding land entitlements made by Congress when it approved ANSCA. It will almost certainly open a Pandora's box of additional land claims in Alaska, a never-ending flood of potential public land and timber grabs.

None of the lands selected by these five NEW Native corporations will be subject to the sustained yield and multiple use requirements applicable to Tongass National Forest Lands. Most of the Southeast Alaska village corporations created by ANSCA have already clearcut hundreds of thousands of acres of their merchantable timber since 1983. The effects of this unsustainable logging rate can be seen by the 53 percent drop in cutting levels on Native corporation lands between 1991 and 1994.[1]

[1]Source: Forest Service's draft Section 706(a) Report for Fiscal Year 1994, 22-24.

Private corporate land owners do not have to provide access to, or across, privately owned land. This "lock-out" will dramatically effect use by commercial, sport, and subsistence hunters, who used to enjoy their former public lands.

H.R. 2413 Would Cause Devastating Economic Impacts.

- **Local officials have raised concerns about the substantial financial loss to communities.** The Forest Service has a payroll of $44 million dollars and employs roughly 1000 people in Southeast. H.R. 2413 would have devastating economic impacts for our region.

The State Does Not Have The Money Or The Capacity To Adequately Manage The Tongass For Multiple Use And Would Sell Off Public Lands.

- The State Forest Practices Act, which regulates logging on state and private lands, requires only minimal protection for fish and wildlife habitat. Commercial fishing, tourism, hunting, subsistence, and other multiple uses would suffer.
- **The Tongass costs U.S. Taxpayers over $90 million each year to run.** In these tough budget times, the State lacks the money to run the Tongass adequately.
- **The logical result of H.R. 2413 would be for the State of Alaska to sell off large chunks of the Tongass to the highest bidder,** which in most cases would be timber companies interested in short-term profits, not the long-term health of the Tongass' unique ecosystems or rural communities. The Tongass would most likely become a series of huge private tree farms, and former public hunting areas would become private hunting clubs. This prediction is consistent with Senator Robin Taylor's letter.

Management Of The Tongass By The State Of Alaska Will Not Result In Efficient Production Of More Timber With Less Controversy.

In response to a May 1996 report from the U.S. General Accounting Office prepared at your request, PUBLIC TIMBER: Federal and State Programs Differ Significantly in Pacific Northwest, you stated your intention to use this report in reviewing proposals to transfer control of some national forests to the states. This report, however, does not support the conclusion that the State of Alaska could more efficiently manage the Tongass than the Forest Service. Unlike state forests in Oregon and Washington, which the GAO report reviewed, state lands in Alaska are not managed to emphasize logging and maximize revenues. Article VIII of the Constitution of the State of Alaska requires natural resources on state lands to be managed as a public trust and requires that sustained yield management be the management objective rather than maximum short-

term economic gain. Article VIII further emphasizes the right of citizens to get to and use the state's resources.

The GAO report's conclusion that Pacific Northwest states, because of significant differences between federal and state timber sale programs, can operate their timber sale programs at less cost does not mean that the same will occur if the Tongass is transferred to the State of Alaska:

Yakataga -- In a January 1991, an audit report from the Legislative Budget and Audit Committee on the Department of Natural Resources administration of the Icy Cape No. 2 timber sale on state lands along the Yakataga coast[2] found that:

> "Receipt of less than $1 Million in total stumpage fees, on a bid that originally promised that the State would collect almost $6 million. ... we estimate that the State spent almost as much in dealing with various aspects of the sale as it collected in stumpage receipts." (emphasis in original).
>
> ...Without improvement, the State faces the continued prospect of receiving less than full value for its resources and exposure to repeated litigation by logging operators.

Haines State Forest -- A 1994 briefing paper on long-term timber sales on the Haines State Forest showed that the State lost more than eight million dollars in road credits, subsidies, infrastructure, and management costs between 1979 and 1985 in a Haines long term contract.[3]

Given the differences between how the State of Alaska and Washington and Oregon manage state lands, as well as the record of money-losing timber sales on Alaska state lands, the GAO report can not be relied upon to justify transferring the Tongass to the State of Alaska.

Adequacy of Fish Protection on State and Private Lands in Alaska -- In a statement before the House of Representatives on May 21, 1996, you proclaimed that a new study prepared by Pentec Environmental for Sealaska Corporation, the Southeast regional Native corporation, and the Alaska Forest Association, "shows that logging on state and private lands in Alaska is compatible with fisheries protection." We disagree. As noted in the April 9, 1996 comments by the Alaska Department of Fish and Game following its multi-divisional review of the April 18, 1995 Pentec Review Draft Report:

> "Because of declining budgets, it is unlikely that the [state] agencies would have the consistent funding over time to accomplish [the] difficult task [of conducting effectiveness monitoring]. Analyzing this project has once again brought home the extreme difficulty of designing and implementing a study which successfully copes with the wide range of natural variables at work in uplands, streams and biota.

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[2]Attachment 5(cited pages).
[3]Attachment 6(Alaska Environmental Lobby press release, April 25, 1994).

... our comments include both the larger questions of study design and implementation...."

Because the negative impacts from logging do not become apparent for 5-10 years after logging, and will not be fully expressed until a major storm event occurs, no definitive conclusions can be interpreted from only three years of data collected for this study. The fact that the magnitude of habitat changes can not be detected now from applying State standards does not support the conclusion that State standards do not have an adverse impact on fish habitat and stream conditions. In fact, the recent completed Anadromous Fish Habitat Assessment (AFHA), which was prepared by more than 50 scientists, resource specialists, and managers at the direction of Congress, found that "procedures similar to those currently used to protect fish habitat on the Tongass ... failed to prevent declines in fish habitat capability, and resulted in increasing and now significant risk to the viability of salmon and steelhead stocks ...." Given that the AFHA report took a comprehensive look at the adequacy of existing fish habitat protection measures Tongass-wide, it far more authoritative an assessment than a selected sampling by a consultant hired by timber companies. If APHA found that the tougher Forest Service standards were not adequate, how could anyone say that the State's standards for riparian management on state and private lands are OK?

H.R. 2413 Turns Back The Clock And Revives The Tongass Timber Barons.

- **The bill requires the State to reinstate the 50 year monopoly timber contract with the Alaska Pulp Company.** The Forest Service canceled this contract, which gave Alaska Pulp a guaranteed supply of timber at bargain basement prices, in 1994 because Alaska Pulp materially breached its contract by closing its pulp mill in Sitka.
- **Coupled with the bill your recently introduced, H.R. 3659, that would grant Ketchikan Pulp Company a <u>new</u> 23-year monopoly contract, this bill would effectively gut the Tongass Timber Reform Act of 1990.** Section 7(f) of H.R. 2413 repeals all statutory land protections contained in ANILCA and the TTRA. H.R. 3659 eliminates the requirement that Ketchikan Pulp pay timber prices comparable to those that independent operators on the Tongass have to pay and guarantee a huge amount of timber to keep Ketchikan Pulp in business, at a profit.[4]

Freedom, Rights, Control, And The Future:

Lets talk about Freedom. Congressman Young, you and your bill are striking at the very heart of the century-old, all-American concept of public forest lands. To many Alaskans and to many Americans across this great country of ours, the concept of being an owner of our public forest lands is one of our most strongly held freedoms. This is a freedom, where Alaskans can pick a spot on the Tongass map, climb into a float plane or skiff and go there. They can hunt, fish , hike, pick berries, watch wildlife, gather firewood. When

[4]Attachment 7(SEACC Fact Sheet on H.R. 3659).

they leave, they leave with the knowledge that they can return to the same spot on their public land, again and again and again. This is a freedom that is held dear.....and you want to rip it away.

Lets talk about rights. You make a big deal about attempting to protect valid, existing rights in this bill. What about our rights -- the rights of the public to own and benefit from their public forest lands? Aren't these rights valid and existing?

In your January 25, 1996, press release, you claim that "This bill is about control - Alaskan control of the forest - and stabilization for the people who depend on forest resources to survive ...." We strongly disagree with your characterization. On the second to last page of your bill (Section 7 (f)), you take your double-barreled shotgun, load it up with buckshot and blast away at every single protected acre on this great forest by repealing all statutory land protections for wilderness and legislated LUD II areas, and salmon stream buffer zones. What stability will this bill provide commercial fishermen who depend upon these "million-dollar" salmon watersheds. What stability will this bill provide to recreation and tourism businesses whose customers come to see wild and beautiful country? Have you considered the impact of your bill on Tongass-dependent communities, such as Pelican, Elfin Cove, Yakutat, Point Baker, Port Protection, Kupreanof, Tenakee, Gustavus, Hydaburg, Edna Bay, Craig, Klawock, Angoon, Whale Pass, Petersburg, Juneau, and Sitka -- seventeen communities have publicly supported protection of areas which are near and dear to them. If this bill is your answer, then your answer must be "no."

From virtually every community in our region -- where ever you look , you see the Tongass. These public lands are where Alaskans hunt, and fish, and walk in the woods. This is where people who work in the timber industry find the trees to cut and send to the mills. The watersheds of the Tongass produce over 80% of the salmon harvested in our region; salmon that our commercial fishermen depend upon. The bounty of the Tongass has been an incredible sustainable renewable public resource for Alaskans and all Americans. Our way of life depends on the Tongass. Your bill will not promote "stabilization," but destabilization, and destruction of a way of life.

In a January press release, you state that "Because assuming control of the Tongass is voluntary and conditions are minimized, no one could construe this bill as a federal mandate. It is the opposite of a mandate, because it gives up control, ..." Who are your trying to fool? Your bill is loaded with federal mandates and conditions, including the repeal of all statutory land protections, Section 7(f); re-instatement of the Alaska Pulp Corporation contract, Section 5(c); the State's compliance with Title VIII of ANILCA, Section 6(c); the handing over of more than 200,000 acres of prime forest land to five (5) new, for-profit Native corporations, Section 6(e); payment of 25 percent of the net receipts for all timber sold on the Tongass to the United States for 10 years after the State receives patent to lands in the Tongass, Section 6(g); and, the assumption of all obligations of the United States under the Ketchikan Pulp's 50-year pulp contract, Section 6(h). Your bill does not give up control to the State of Alaska but merely shifts federal obligations to the State, in a most irresponsible way.

SEACC's Hearing Statement on H.R. 2413
Thorne Bay, Alaska July 5, 1996

I'm sure that some time today we'll hear your mantra of misleading myths that chant " only 10 percent of the Tongass will ever be logged " and "90 percent will never be logged." The truth is that the 10 percent that will be logged is the "biological heart" of the Tongass. Saying "not to worry" about this 10 percent is like the doctors telling you that they will cut your heart out -- but the rest of your body will be just fine!

Over the past years you've argued that Alaska needs your leadership and seniority in Congress to protect Alaska's interests. Instead of showing leadership, you are abusing your power as Chairman of the House Resource Committee to trash a hundred year old American tradition of liberty and freedom in, and public ownership of, our public forest lands. Your actions will not benefit Alaskans or American citizens but will only benefit the corporate robber barons who have, and will continue to put short-sighted profits ahead of the long term health and welfare of Alaskans, and Americans.

Your bill is a very serious threat to our public forest lands, and to the way of life for Southeast Alaskans. Your bill is not a transfer, it is a travesty. Many people do not take your bill seriously, but we view it as a terrible threat to our public lands heritage. Your bill is outrageous, flat out dangerous, and we strongly urge you to stop this bill dead in its tracks, right here, right now.

Alaskans support legislated lands protection in the Tongass National Forest

Alaskans strongly support protection of key fish and wildlife habitat areas by law -- not by temporary deferrals. Alaskans have established an impressive record of support for legislated protection over the past 4 years, including Senate field hearings held in April 1989 in Sitka and Ketchikan.

Southeast Alaskans supporting legislated protection of key areas include:

- The 15 communities of Hydaburg, Craig, Juneau, Elfin Cove, Klawock, Pelican, Petersburg, Point Baker, Sitka, Tenakee Springs, Yakutat, Port Alexander, Gustavus, Kupreanof, and Edna Bay;
- Governor of Alaska (official position of the State of Alaska);
- Tongass Tourism and Recreation Business Associate (representing over 100 tourism and outdoor businesses operating in the Tongass), Alaskans for Responsible Resource Management, and the Southeast Regional Council of Fish and Game Advisory Committees (from every community in Southeast Alaska);
- United Paperworkers International Union Local 962 of Sitka;
- Native organizations -- Central Council of Tlingit-Haida Indian Tribes, Sealaska Regional Native Corporation, Cape Fox Native Corporation, Hoonah Indian Association, and Alaska Native Brotherhood;
- All the region's commercial fishermen's organizations -- Alaska Trollers Association, Petersburg Vessel Owners, United Southeast Gillnetters Association, Southeast Seine Boat Owners and Operators, Southern Southeast Regional Aquaculture Association, and Northern Southeast Regional Aquaculture Association; plus the statewide United Fishermen of Alaska;
- Conservation groups -- Sitka Conservation Society, Pelican Forestry Council, Lynn Canal Conservation, Friends of Berners Bay, Alaskan Society of American Forest Dwellers, Juneau Sierra Club, Narrows Conservation Coalition, Friends of Glacier Bay, Tongass Conservation Society, False Island-Kook Lake Council, Wrangell Resource Council, Taku Conservation Society, Alaska Women in Trees, Juneau Audubon Society, Yakutat Resource Conservation Council, and SEACC.

From 3/90 Senate Hearings S.E.A.C.C.

Attachment #1

Amendment No. _____

Purpose: To amend H.R. 1296, a bill to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer, to provide redress for the omission of five Southeast Alaska communities from eligibility under the Alaska Native Claims Settlement Act by authorizing the Native people enrolled to those communities to form Urban or Group Corporations as appropriate, and for other purposes.

In the heading of Title XV, delete "TITLE XV-ALASKA PENINSULA SUBSURFACE CONSOLIDATION" and insert in lieu thereof the following:

"TITLE XV-ALASKA NATIVE CORPORATION PROVISIONS

SUBTITLE A. ALASKA PENINSULA SUBSURFACE CONSOLIDATION"

At the end of section 1504, insert a new Subtitle B as follows:

SUBTITLE B. UNRECOGNIZED COMMUNITIES IN SOUTHEAST ALASKA

SECTION 1. ESTABLISHMENT OF ADDITIONAL NATIVE CORPORATIONS IN SOUTHEAST ALASKA

Section 14(h) of the Alaska Native Claims Settlement Act, as amended (43 U.S.C. § 1601, 1613(h), hereinafter in this Subtitle referred to as "the Act") is amended by adding at the end thereof the following new paragraph:

"(12)(A) The Native residents of each of the Native Villages of Haines, Ketchikan, Petersburg and Wrangell, Alaska, may organize as an Urban Corporation.

"(B) The Native residents of the Native Village of Tenakee, Alaska, may organize as a Group Corporation.

"(C) Nothing in this paragraph shall affect existing entitlement to land of any Regional Corporation pursuant to section 12(b) or section 14(h)(8) of this Act."

SEC. 2. DISTRIBUTION RIGHTS

Section 7 of the Alaska Native Claims Settlement Act is amended by adding at the end of subsection (j) the following new sentence: "Native members of the communities of Haines, Ketchikan, Petersburg, Tenakee and Wrangell who are shareholders of Sealaska Corporation and who become shareholders in an Urban or Group Corporation for such a community shall continue to be eligible to receive distributions under this subsection as at-large shareholders of Sealaska Corporation."

SEC. 3. PLANNING GRANTS

The Native Corporations for the communities of Haines, Ketchikan, Petersburg, Tenakee and Wrangell are authorized to receive grants in the amount of $250,000 to

Attachment 2, p. 1

each such corporation, to be used only for planning, development and other purposes for which Native Corporations are organized under this Subtitle.

SEC. 4. CONSIDERATION OF RECOMMENDATIONS

(a) In developing the Tongass Land Management Plan, the Secretary of Agriculture shall, after consultation with the Southeast Alaska Landless Coalition, Sealaska Corporation, the Urban Corporations for the Native communities of Haines, Ketchikan, Petersburg and Wrangell, and the Group Corporation for the Native community of Tenakee (hereinafter collectively referred to as "Southeast Native Corporations"), take into account the establishment of additional Native Corporations under section 1 of this Subtitle.

(b) In meeting the requirements set forth in subsection (a), the Secretary shall fully consider and analyze all recommendations by the Southeast Native Corporations.

(c) Within nine (9) months following the enactment of this Subtitle, the Secretary shall submit a report to Congress setting forth an analysis of the impact that establishment of the Native Corporations under section 1 of this Subtitle will have on the Tongass Land Management Plan.

(d) The final Tongass Land Management Plan shall incorporate all appropriate recommendations from the Southeast Native Corporations.

SEC. 5. MISCELLANEOUS PROVISION

No provision of this Subtitle shall affect the ratio for determination of distribution of revenues among the Regional Corporations under section 7(i) of the Act and the 1982 Section 7(i) Settlement Agreement among the Regional Corporations or among Village Corporations under section 7(j) of the Act.

Attachment 2, p. 2

UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508

SCHOOL OF PUBLIC AFFAIRS

INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH
(907) 786-7710 FAX (907) 786-7739

December 7, 1993

Amy Miller,
Alaska Public Radio Network, Petersburg
Fax number 772-9296

Dear Ms. Miller:

While driving to work this morning and listening to KSKA, I was surprised to hear your story on the draft report, *A Study of Five Southeast Alaska Communities*, that we wrote for the U.S. Forest Service and other federal agencies. The story was inaccurate and disappointing. No one here at ISER was contacted for the story. If you had called me or Steve Colt, we could have pointed out several things that would have improved the accuracy of the story.

First, the report is still a draft and not a final report. It's not unheard of for draft reports to receive news coverage, but we prepare drafts so knowledgeable reviewers can help us find any omissions or mistakes or other shortcomings before we reach the final version. But the fact that the document is a draft is less important than the fact that you reported the substance of the report inaccurately.

We were asked, as we reported in the preface to the report, to examine two broad issues: (1) what is the available factual evidence on why Congress denied the five study communities the authority to form village or urban corporations under the Alaska Native Claims Settlement Act (ANCSA); and (2) how does historical use and occupancy in the five study communities compare with use and occupancy in other Southeast communities that received land under ANCSA. Because they were denied the authority to form village or urban corporations, the five study communities received no land entitlements. The study villages were not, however (as you reported), denied all benefits under ANCSA. Qualified residents of those villages received cash payments, and they are at-large members of Sealaska regional corporation. *

We did not, as you reported, make a finding that Congress had inadvertently omitted the study villages from land benefits, nor did we recommend that Congress should now award them land. We did not, as you implied, say that the study villages were entitled to the same economic benefits as Southeast communities with village or urban corporations have received. We did estimate what those benefits had totaled to date, but that is a much different thing from making a recommendation. * *

This report will be presented to Congress. Congress will decide what if any changes to make in the status of the five study villages, based on this report and other sources. It was not in our scope of work to make recommendations—just to present factual information.

We're always glad to receive news coverage of our work, and we have in the past felt that the Alaska Public Radio Network provided fair and accurate coverage. We would like you to set the record straight by airing a correction of this story. If you have any questions I'll be glad to talk to you.

Lee Gorsuch
Director, ISER
786-7710

Attachment 3

UNIVERSITY OF ALASKA ANCHORAGE

3211 Providence Drive
Anchorage, Alaska 99508-8180

SCHOOL OF PUBLIC AFFAIRS

INSTITUTE OF SOCIAL AND
ECONOMIC RESEARCH
(907) 786-7710 FAX (907) 786-7739
E-mail ayiser@orion.alaska.edu

May 29, 1996

Buck Lindekugel
Southeast Alaska Conservation Council
419 Sixth Street, Suite 328
Juneau, Alaska 99801

Dear Mr. Lindekugel:

In December 1993, Lee Gorsuch—who was at that time the director of ISER—wrote a letter to Amy Miller of Alaska Public Radio in Petersburg about a story she had done on ISER's draft report, "A Study of Five Southeast Alaska Comunities." The letter corrected some inaccuracies in the public radio story.

You asked ISER to let you know whether the statements Mr. Gorsuch made in that letter concerning the contents of the *draft* report also accurately reflect the contents of the *final* report, issued in February 1994. Yes, they do. The report content did not change substantively between the draft and the final version.

Please let us know if you need a copy of the final report.

Linda Leask

Linda Leask
Editor

Attachment 4

STATE OF ALASKA

AUDIT DIVISION
PO. BOX W
JUNEAU, ALASKA 99811-3300

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

January 31, 1991

Members of the Legislative Budget
and Audit Committee:

In accordance with a Legislative Budget and Audit Committee special request and Title 24 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FORESTRY
ADMINISTRATION OF ICY CAPE NO. 2 TIMBER SALE

January 31, 1991

Audit Control Number

10-4339-91

The report reviews the history and administration of the Icy Cape No. 2 timber sale. The audit reports on the stumpage payment revenues owed to, and received by, the State. The report compares these revenues to estimated costs incurred by the various state agencies who participated in administering the sale. The Division of Forestry's administration and enforcement of contract conditions, litigation involved, and the coordination between various state resource agencies are also addressed.

The audit was conducted in accordance with generally accepted governmental performance auditing standards. A further statement of our audit approach is included in the Objectives, Scope, and Methodology section of this report.

Randy S. Welker

Randy S. Welker, CPA
Legislative Auditor

Attachment 5, p 1

REPORT CONCLUSIONS

The Icy Cape No. 2 timber sale was plagued by litigation, widespread noncompliance with contract conditions, unpaid stumpage fees, and recently, a lack of cooperative effort between two of the State's major resource agencies.

Faced with a collapsing timber market and an operator who owed the State more than $600,000 in stumpage fees and interest, the State reached a legal settlement. Rather than suspending the sale and seizing the operator's $500,000 payment bond, the settlement allowed the operator, who was often unresponsive to meeting the conditions of the sales contract, to continue. As a result, the State sold its timber resources relatively cheaply, at a greatly reduced economic return to the treasury.

The most glaring aspects of the history of the Icy Cape No. 2 timber sale involve:

1. Gubernatorial direction that was contrary to good management and forestry practice. Former Governor Sheffield directed the former commissioner of the Department of Natural Resources to settle with the logging operator rather than suspend operations for nonpayment of stumpage debt. This direction was given after the Division of Forestry (DOF) had already began taking steps to suspend operations.

2. A settlement agreement that permitted the logger to continue operations while paying significantly less for the timber harvested and promising more state timber to the operator. After the settlement, the operator repeatedly failed to comply with conditions and specifications of the timber sales contract and habitat protection permits.

   Not considering the value of road improvements in the area, the State essentially has had to settle for less than 20 cents on the dollar for the more than $600,000 stumpage debt and interest owed at the time of the 1986 settlement.

3. Receipt of less than $1 million in total stumpage fees, on a bid that originally promised that the State would collect almost $6 million. As set out in the Revenues and Expenditures section of this report, we estimate that the State spent almost as much in dealing with various aspects of the sale as it collected in stumpage receipts.

As discussed further in the Findings and Recommendation section of this report, DOF must reevaluate the way in which

Alaska Environmental Lobby, Inc.
P.O. Box 22151 Juneau, Alaska 99802
Phone: 907-463-3366
Fax: 907-463-3312

The Haines Long Term Timber Sale Lost Millions of Dollars

The State lost more than eight million dollars between 1979 and 1985 in a Haines long term contract. This money was lost in road credits, subsidies, infrastructure, and management costs. After the mill closed several times, the state canceled the contract in 1985.

DNR's briefing paper on long-term timber sales claims that the DNR Division of Forestry made a profit on this sale. However, the attached documents show that the Division of Forestry clearly lost money on the Haines long term timber sale.

> ***DNR spent more than $1 million dollars for the Haines Forestry Office related to the sale of timber during five years of that sale. Before bankrupcy, DNR owed the contracter more than $388,000 in purchaser credits due to road construction. In other words, the costs of road contruction exceded the timber stumpage due to the state by $388,000.**

***In addition, the state spent and lost about $7 million dollars more in mill-related investments, via the Alaska Resource Corporation, which is similar to AIDEA.**

4/25/94

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER SIERRA CLUB • ALASKA FRIENDS OF THE EARTH
ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY • CLEAN AIR COALITION • FISHAL CITIZENS' COALITION
GEOLOGY GROUP NTRA CLUB • KENAI AUDUBON SOCIETY • KENAI FJORDS SIERRA CLUB
KATCHEMAK BAY CONSERVATION SOCIETY • KENAI PENINSULA AUDUBON SOCIETY • OWL CANCERS AND RAINFORESTS
ENGLISH BAY SIERRA CLUB • KODIAK AUDUBON SOCIETY • LYNN CANAL CONSERVATION • NORTHERN ALASKA ENVIRONMENTAL CENTER
PRINCE WILLIAM SOUND CONSERVATION ALLIANCE • SITKA CONSERVATION SOCIETY • SOUTHEAST ALASKA CONSERVATION COUNCIL • WOMEN'S CONSERVATION SOCIETY

Attachment 6

The Tongass Timber Dynasty Bills: A Deal Louisiana-Pacific Can't Refuse

Louisiana-Pacific Corporation (L-P) has threatened to shut down its Ketchikan Pulp Company (KPC) mill unless it gets major concessions from Congress. The Alaska Delegation has responded in spades.

S. 1877 and H.R. 3659 go far beyond a "contract extension." **These identical bills replace the current KPC timber contract, set to expire in 2004, with a new, 23-year monopoly contract starting right now and continuing through 2019, with the intention to continue in perpetuity.** They give unprecedented government concessions to one of the richest forest products companies in the world--and a chronic pollution lawbreaker--while gutting the 1990 Tongass Timber Reform Act (TTRA), endangering the future of the Tongass National Forest and all those who depend on it. **They would make the American public pay to stop a major corporate polluter from polluting.**

These bills are not the Governor of Alaska's bills, and they do not contain the specific conditions he laid down for supporting a KPC contract extension.

The Bills:

- *Mandate increased clearcutting, regardless of impacts to any other Tongass resource.* The bills force the Forest Service to provide an average of 192.5 million board feet (mmbf) yearly to KPC, and require KPC to cut it, ***regardless of impacts to commercial and sport fishing, hunting, subsistence, tourism, recreation, fish and wildlife habitat.*** This is 40 mmbf higher than KPC's 15-year average annual cut of 159 mmbf. ***This means a mandate for a total of nearly 150,000 acres of clearcuts--119,000 football fields of clearcuts, or 5,200 football fields of clearcuts a year--in the heart of the last temperate rainforest.***

- Guarantee huge amounts of timber to keep KPC in business, at a profit, permanently.

- Allow L-P to replace the pulp mill with a different facility using pulp logs as a component, even if it provides fewer jobs--and *guarantee that no matter what kind of mill KPC decides to run, the Forest Service must provide KPC timber at a rate that does not place the company at a "competitive disadvantage" to a similar mill in the Pacific Northwest.* **This could force the Forest Service to sell Tongass old-growth trees for the price of PNW raw materials such as recycled newspapers or sawmill waste--or even give refunds to keep KPC competitive. This unprecedented, open-ended government subsidy will cost American taxpayers billions.**

- Extend the current contract term by 15 years and require the contract to include a 23-year master plan, scheduling KPC logging through 2019. Once in place, the Forest Service cannot change this plan unless L-P agrees. The Forest Service must prepare this binding 23-year schedule within 45 days, without public involvement. The Tongass Land Management Plan must conform with the KPC plan. This means the KPC contract will control all future Forest Service Tongass planning.

- Eliminate the Forest Service's right to terminate the contract for environmental damage, or modify the contract to reflect new environmental regulations, unless L-P agrees. But, if the Forest Service and L-P agree, they can change (or worsen) the contract terms without Congressional approval.

- Eliminate the TTRA requirement for KPC to pay rates comparable to those paid by independent Tongass timber purchasers and give KPC quality and price advantages over all other purchasers.

For further information, contact the Southeast Alaska Conservation Council (SEACC)
Juneau, AK: 907-586-6942 *Washington, DC: 202-544-0475*

Attachment 7

Southeast Alaska Conservation Council

SEACC 419 6th Street, Suite 328, Juneau, AK 99801
(907) 586-6942 phone (907) 463-3312 fax
email: seacc@alaska.net

STATEMENT OF
TIM BRISTOL, GRASSROOTS ORGANIZER
SOUTHEAST ALASKA CONSERVATION COUNCIL

HEARING ON H.R. 2413,
THE TONGASS TRANSFER AND TRANSITION ACT

BEFORE THE
U.S. HOUSE RESOURCE COMMITTEE
IN THORNE BAY, ALASKA, JULY 5, 1996

Mr. Chairman,

My name is Tim Bristol, grassroots organizer for the Southeast Alaska Conservation Council. For the record, SEACC has already submitted more than 24 pages of written testimony to this Committee on your wrong-headed bill.

[Remainder of statement was the same as Robert E. Lindekugel.]

FINAL

STATEMENT OF
GARY MORRISON, FOREST SUPERVISOR
BRAD POWELL, FOREST SUPERVISOR
FOREST SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE

Before the
House Committee on Resources
United States House of Representatives

Concerning H.R. 2413, a bill,
"To Transfer the Tongass National Forest to the State of Alaska"

Sitka, Alaska - July 3, 1996
Thorne Bay, Alaska - July 5, 1996

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I am pleased to have the opportunity to appear before you today to discuss the management of the Tongass National Forest and present the Administration's views on H.R. 2413, a bill, "to transfer the Tongass National Forest to the State of Alaska." The Department of Agriculture strongly opposes enactment of H.R. 2413.

Our opposition rests on both philosophical and pragmatic grounds. Let me outline our position.

National Forests Belong to All Americans

For over 100 years, during good economic times and bad, public lands have been a source of the goods and services that supply local and regional economic growth and diversity. Public resources have helped build a nation with affordable recreation, wood, fish and wildlife, energy and water. They have been the basis for environmental health, yielding clean air and water for generations.

The National Forest System, covering more than 191 million acres, is an important part of the these public lands. Gifford Pinchot, first Chief of the Forest Service, set down an operating philosophy that is as appropriate today as it was when the agency was established. The National Forests are managed "for the greatest good for the greatest number in the long run." Be it the Shasta National Forest in California, the White Mountain National Forest in New Hampshire or the Tongass National Forest in Alaska, each is managed for the benefit of all Americans.

By and large, Forest Service stewardship of this priceless resource has been a resounding success. Through multiple use management, a concept that balances environmental health with human needs, the National Forests have provided substantial economic benefits to surrounding communities. By basing management on the best available science, we have been able to refine land management practices to better protect and produce a

full range of resources wildlife and fish, recreation opportunities, and timber.

We recognize that some people disagree with certain aspects of current management efforts. Some believe that we cut too much timber or, conversely, that we place too little emphasis on timber products. We are dealing with these perceptions through improved science and more effective public involvement in the decision-making process. We strongly urge you not to pursue a policy that would lead to the dismemberment of the National Forest System but, instead, recognize that conflict and controversy are inherent parts of natural resource management which cannot be "fixed" by shifting responsibility form Federal to state management.

Effects of H.R. 2413 to the Economy of Southeast Alaska

The economies of Southeast Alaska are in transition. The communities and the increasingly diverse businesses of the region need assurance of a stable supply of all the goods and services produced by the Tongass. The Clinton Administration recognizes the vital role that natural resources play in the economy of the region and is committed to the economy of Southeast Alaska and to providing a sustainable and dependable supply of timber and other resources from the Tongass to the communities and businesses of Southeast Alaska. The proposed legislation, however, would adversely effect efforts toward accomplishing economic stability

and, conversely, create additional economic uncertainty.

H.R. 2413 would undo the long established working relationship the Forest Service has developed with the State of Alaska, local governments, and Alaska natives. From management of cultural resources to road maintenance, the Forest Service works with a variety of local interests to ensure the natural and cultural resources of Alaska are well maintained. Discontinuing these relationships will hamper the technical and financial ability of partners to manage certain resources and activities ranging from municipal watershed management to cooperative recreation planning.

The Tongass is an ecological treasure--a vast expanse of temperate rain forest. Recognizing its value, the American public has invested major financial resources in the Tongass to ensure the wise and judicious use of all its natural resources. This in turn has greatly contributed directly and indirectly to the growth of the Southeast Alaskan economy and the health of our nation. For instance, the Forest Service, in cooperation with the Alaska Department of Fish and Game and the fishing industry, has invested more than $8 million of Federal money in fish passes and other habitat improvement structures in the last 15 years. We estimate that this is creating more than $17 million worth of additional salmon each year for commercial, sport and subsistence fishing activities. The Forest Service has worked hard to assure sustained growth in all sectors of the economy. The investment

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in programs and infrastructure the taxpayers of this country have made to the resources of the Tongass and the economy of Alaska since the Tongass was established in 1907 is substantial. Even if transfer of the Tongass made sense from a management standpoint, the Administration would object to relinquishing 17 million acres of valuable federal property and improvements without adequate compensation to the federal treasury.

H.R. 2413 would also change the flow of economic benefits that Forest Service programs have created for the 33 communities and local governments within the Tongass. The Forest Service shares 25% of all revenues from timber sales and other activities on the national forests. In 1995 this amounted to $7.6 million. Of this total, the city of Wrangell alone received $536,000 and Ketchikan received $337,000. For both these cities, as for the other communities in Southeast Alaska, these revenues are a key component of local government finances. If they were diminished or lost, the alternative for most communities might be to raise taxes, cut back on services, or both.

The economy of Alaska would further be affected by the loss of an estimated $60 to $80 million per year the federal government spends to operate programs on the Tongass at the current level. The cost of managing the Tongass will remain relatively unchanged if H.R. 2413 is enacted. Yet the loss of this influx of federal money coupled with the additional burden to the State budget is certain to prove detrimental to the stability of the Alaskan

economy. Additionally, the revenue generated by the 565 permanent employees on the Tongass, whose salaries are spent and respent in local economies, supporting additional jobs and income for the private sector of Alaska, would be foregone.

The Future

Historically, issues surrounding the Tongass have been contentious. While the Forest Service is proud of all we have accomplished over the past 90 years, we don't pretend for a moment that everything is perfect. We acknowledge that the competing uses desired by our neighbors, partners, and owners has dramatically increased the debate surrounding how Federal lands should be managed. These conflicting needs and philosophies are, perhaps, more keenly felt here in Alaska than anywhere in the country.

We believe, however, that there are many things that we can do to improve our relationships with the public and the management of the resources in the coming years:

1. A better job of reconciling wildlife protection with stability in timber supplies.

There have been proposals from many groups that we should adopt additional measures to protect wildlife habitat on the Tongass. There have also been petitions to the Fish and Wildlife Service

to list species as threatened or endangered under the Endangered Species Act. Responding to these proposals and associated litigation, actual or threatened, has made it difficult to provide the level of timber supply that the local timber industry has wanted and cast doubt in many people's minds about the future timber supplies.

We want to do a better job of reconciling this tension and balancing our stewardship obligations for wildlife habitat with the human needs for a healthy and growing economy. We think the best way to do this is to complete the Tongass plan revision, where this balancing can be considered in the broadest context, with the most comprehensive information base, and through the widest public participation. The Tongass Forest Supervisors released their preferred alternate in April and we expect to make a final decision on the Tongass Forest Plan Revision in September of this year.

2. A commitment to a sustainable timber supply.

Of utmost concern to the Forest Service is establishing a sustainable timber supply upon which industry can rely. The Forest Service has been working aggressively to expand the independent timber sale program. We intend to offer 116 million board feet under the independent timber supply program for FY 1996.

Additionally, the Forest Service is committed to continuing to meet the Ketchikan Pulp Company (KPC) obligation. In FY 1996, the Forest Service intends to offer 205 million board feet under the terms of the long-term contract.

With 8 years remaining on KPC's contract, I believe it would be valuable to KPC, the Forest Service, and the communities of Southeast Alaska to work together to assess KPC's future timber needs and to attempt to determine from where on the Tongass the timber will come. At the same time, the Forest Service intends to work with the communities of Southeast Alaska and all of the economy to attempt to reduce conflict over timber harvesting and thus assure a more predictable and stable timber supply.

3. Better relationships with Alaska natives.

We have recently negotiated a memorandum of understanding with the Sitka Tribe of Alaska and the Hoonah Indian Association to formalize a government-to-government relationship with them. We hope we can similarly formalize our relationships with other Federally recognized tribes in Alaska. Tongass management affects a broad spectrum of the legitimate interests of Alaska natives, ranging from subsistence use of forest resources to access to the land held by Alaska Native corporations. We have worked hard at these relationships but we think we can do better.

4. Better service to those who seek permits for tourism and

related activities on the Tongass.

As the tourist industry has grown, we have experienced explosive growth in the number of persons seeking permission to carry out tourist related business activities on the Tongass. Frankly, the growth in requests has far outrun our expectations and far outrun the appropriations we receive to evaluate and manage the permits. We intend to do better. We have established a task team to review the entire permit process to identify administrative efficiencies, to speed it up, and to make it more convenient for the public--in short, to re-engineer the entire permit process.

Also, we have committed to an improved interagency partnership so that the public will be subjected to less bureaucracy and improved response to their applications.

5. Greater efficiency with fewer people and tighter budgets.

We are just completing a process to reorganize and downsize the Regional Office in Juneau in order to reduce administrative costs and get more money to on-the-ground programs throughout Southeast Alaska. In the coming years we expect to reexamine work processes at all levels of our organization to ensure that we are properly configured for the workload and budgetary challenges that we think are coming in the balance of this century and the opening of the next. We have appointed a special task team to

chart the course for this reexamination, and we will be sharing the results with the public along the way.

6. Expanding the economic base of Southeast Alaska communities.

The Forest Service and the Department of Agriculture possess many tools for assisting resource dependent communities to diversify and expand their economic base. Both financial and technical assistance provided by the Department and the Forest Service have been utilized extensively in Southeast Alaska. In 1994, the Department offered direct assistance to the city of Sitka through the creation of a Resource Conservation and Development (RC&D) area. A coordinator was located in Sitka to work directly with community leaders and local industries to help identify means for expanding local economic opportunities for the communities.

Over the last three years, a total of $1.8 million in Forest Service rural community assistance (RCA) funds have been distributed to twenty communities in Southeast Alaska. In FY 1995, $500,000 of RCA funds were dedicated to the communities of Sitka and Wrangell to help them respond to the impacts of recent mill closures. Sitka residents plan to use their half of the money to expand and enhance the Thompsen boat harbor. Wrangell intends to complete the infrastructure necessary for residential development and provide port fill for water-dependent development. Also in FY 1995, a one-time appropriation of $300,000 was made to the Forest Service to fund a study of

alternative wood products for manufacture in Sitka. Sitka residents are playing an important role in this effort and have worked with the Forest Service to design the study and will continue to be involved as the work progresses. The first phase of the study is scheduled to be completed in March 1996.

This commitment to the communities of Southeast Alaska will continue into the future. In fact, the Forest Service, through its RCA program, intends to provide more than $750,000 in grant money to resource dependent communities in Alaska in FY 1996.

The Forest Service was also charged with the distribution of the Southeast Alaska Economic Funds through out Southeast Alaska. I am pleased to say we are working hard to make these funds available to the communities. We have notified eligible communites how they can begin receiving their portion of the $110 million in grants and payments and some communities have already received checks.

7. Strengthening relationships with the State of Alaska.

Our relationship with the agencies of the State of Alaska have never been better, but we will continue to work to enhance them. Last summer, the Chief of the Forest Service, Jack Ward Thomas, met with the Governor, Tony Knowles, and reached an agreement on 14 points critical to both the State and the Forest Service. I ask that a copy of that agreement be made part of the record of

this hearing. As we carry out that agreement, we think we will raise our relationship to an even higher level of understanding and cooperation.

Secretary of Agriculture Dan Glickman's visit to Alaska last summer also emphasized the importance of this Federal and State partnership.

8. A better job of listening to the people.

Our first Chief, Gifford Pinchot, gave us the following advice:

> "There are many great interests on the National Forests which sometimes conflict a little. They must all be made to fit into one another so that the machine runs smoothly as a whole. It is often necessary for one man to give way a little here, another a little there. But by giving way a little at present they both profit by it a great deal in the end."

> "National Forests exist today because the people want them. To make them accomplish the most good the people themselves must make clear how they want them run."

We still think that is good advice. We intend to redouble our efforts at listening to people to make sure we understand how the people want the Tongass run.

In fact, we have been working intensely to revise the Tongass Land Management Plan and continue to involve the public, our partners in State Government, and Federal agencies to assure that the needs of the people of the Tongass and the United States are met in our plan. Public meetings in 32 communities in Southeast Alaska, which began May 20, have been completed. Meetings were also held in Anchorage, Ak, (June 11) and Washington, D.C. (June 13). Over 400 individuals have given oral testimony and some 1,000 comments have been received in recent months. These comments are in addition to over 10,000 comments already on file from previous public reviews.

Closing

In closing, let me reiterate that we are proud of the 130 years of public ownership of these lands by the people of the United States and more than 90 years of resource stewardship by the Forest Service and the relationships that we have built with our neighbors and our partners, our customers, and our owners. We are proud, too, of our accomplishments for the people of Alaska and the resources of the nation.

The Forest Service has managed and will continue to manage the Tongass with public input, scientific and economic analysis, and sustainable natural resource practices, while complying with the law. We recognize that improvements can be made in our

management practices, but, as we have shown in our testimony, we are working diligently to maximize the value of Tongass National Forest to the residents of Southeast Alaska, as well as the other owners of the Tongass in the rest of the United States.

We look forward to hearing from all of the panels of witnesses here today and in working with you, Mr. Chairman, and our neighbors and owners to enhance the uses and management of the resources of the Tongass National Forest.

That concludes my statement, Mr. Chairman. We would be happy to answer any questions you might have.

United States Department of Agriculture | Forest Service | Alaska Region | P.O. Box 21628, Juneau, AK 99802-1628

File Code: 1510

Date: February 14, 1996

Mr. Duane Gibson
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Gibson:

In response to your FAX transmittal of February 10, we have updated the following information.

Question 1: "Please list the total number of private individuals employed directly and indirectly in the timber industry on the Tongass at the date of enactment of TTRA and now."

Response:

Southeast Alaska Timber Industry Employment

	Direct	Indirect	Total
1990	3,543	2,570	6,113
1995	2,002	1,461	3,463

Source: FY 1995 Timber Supply and Demand Report, Alaska Department of Labor

Tongass National Forest related Timber Employment

	Direct	Indirect	Total
1990	2,442	1,783	4,225
1995	1,385	1,011	2,396

Source: FY 1995 Timber Supply and Demand Report, Alaska Department of Labor

Question 2: "Please detail the status of mills dependent upon public timber at the time of enactment and now. Please include the mill capacity and actual operation levels."

Response:

1990 Timber Processing Facilities in Southeast Alaska

Log Processing Capacity (MMBF/yr)		Level of Operation
Chilkoot Mill, Haines	50	66%
Klawock Mill, Klawock	70	63%
APC Pulp Mill	170	86%
APC Wrangell Sawmill	110	45%
KPC Pulp Mill	190	91%
KPC Ketchikan Sawmill	40	82%
KPC Annette Island Sawmill	70	80%
Seley Sawmill	10	90%
Misc. Small Mills	20	Sporadic
TOTAL	730	

Source: Draft discussion paper entitled "Structure of the Wood Products Industry 1989-1990", R10 EPB.

1995 Timber Processing Facilities in Southeast Alaska

Log Processing Capacity (MMBF/yr)		Level of Operation
Viking Lumber, Klawock	30*	60%
KPC Pulp Mill	190	76%
KPC Ketchikan Sawmill	50	60%
KPC Annette Island Sawmill	60	83%
Seley Sawmill	35	86%
Misc. Small Mills	62	Sporadic
TOTAL	427	

Source: FY 1995 Timber Supply and Demand Report
* Capacity of sawmill only. Viking lumber also operates a whole-log chipping facility.

Question 3a: "Please list the number of Forest Service employees on the Tongass National Forest at TTRA enactment and now. Additionally, please specify the number of biologists, engineers, and timber staff then and now. . ."

Response: The information provided below was taken from the Region 10 FY 1996 Briefing Book. The listings do not include many of our seasonal personnel. Our numbers may grow by 200 or more when peak season requires more campground maintenance, visitor information specialists, or timber support. The numbers reported are Region 10 permanent employees only and do not include FSL. These are numbers of employees and not FTEs.

	Total	Biologists	Engineers	Forestry	Other
1990	812	121	132	206	353
1993	978	195	144	241	398
1995	881	184	129	223	345
1996	879	192	122	208	357

Mr. Duane Gibson

Question 3b: ". . .and the values per MMBF by species."

Response: Values are usually expressed in $/MBF

Average harvest value from Cut and Sold Report comparing CY 1990 with CY 1995:

Species	Calendar Year 1990 $/MBF	MMBF	Calendar Year 1995 $/MBF	MMBF
Sawlog Value				
Alaska Cedar	$515.90	25.1	$685.38	13.9
Sitka Spruce	$337.81	109.3	$244.06	40.3
Western Redcedar	$129.59	36.8	$214.75	13.4
Western Hemlock	$83.55	230.3	$13.44	91.5
Utility Log Value				
Sitka Spruce	$1.20	12.9	$247.43	7.5
Western Hemlock	$1.30	58.2	$15.08	57.5
Total Average Value	$156.52	472.6	$116.88	224.1

Value includes cost of roads.

Question 4a: "Please provide the annual expenditures of the Forest Service (Alaska Region) at the time of enactment and now."

Response:
1990 $ 88,079,393
1994 $113,325,866
1995 $107,549,100

Source: Year-end financial report.

Question 4b: "Also, the volumes of timber offered and sold."

Response:

Timber Offered and Sold on the Tongass (MMBF Sawlog + Utility)

	New Offer	Reoffer	Total Offer	Sold/Release
1990	385	22	407	313
1995	327	0	327	261

Source: Tongass Timber Synopsis 1980-1994, RO-TM, FY 1995 Timber Supply and Demand Report

Question 5: "Please provide a breakdown of the Forest Service workforce, specifically, the numbers of employees in the field versus the office".

	1996
Regional Office	195
Chugach National Forest	119
Tongass National Forest	565
Total Alaska Region	879

Source: FY 1996 Briefing Book, Admin 9B

It is difficult to separate field employees from office employees. All of our field personnel at one time or another perform tasks in the office, and many of our office personnel travel to the field for various tasks connected to their jobs. What we have provided is a breakdown of employees who work out of or are supervised from the Regional Office, and the remainder of the total, who work under the Tongass National Forest and/or the Chugach National Forest. Again, these figures are 1) number of employees, not FTEs; 2) R10 permanent employees only, excluding FSL; and 3) exclusive of temporary employees.

We hope we have been of assistance in providing these facts and figures. Should you need more information, we shall be happy to accommodate.

Sincerely,

for PHIL JANIK
Regional Forester

cc:
WO (1510, 1920, 2400)
RO CS

United States Department of Agriculture | Forest Service | Alaska Region | P.O. Box 21628 Juneau, AK 99802-1628

File Code: 1510

Date: MAR 2 0 1995

Honorable Don Young
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Young:

In response to your letter of March 5, 1995, we have compiled the following information using your question format as a guideline.

Question 1: "Please list the total number of private individuals employed directly and indirectly in the timber industry on the Tongass at the date of enactment of TTRA and now."

Response:

Southeast Alaska Timber Industry Employment

	Direct	Indirect	Total	
1990	3,543	2,570	6,113	
1994	2,000	1,460	3,460	(after Wrangell mill closure)

Source: FY 1994 Timber Supply and Demand Report, Alaska Department of Labor

Tongass National Forest related Timber Employment

	Direct	Indirect	Total
1990	2,442	1,783	4,225
1994	1,434	1,047	2,481

Source: FY 1994 Timber Supply and Demand Report, Alaska Department of Labor

Question 2: "Please detail the status of mills dependent upon public timber at the time of enactment and now. Please include the mill capacity and actual operation levels."

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Response:

1990 Timber Processing Facilities in Southeast Alaska

Log Processing Capacity (MMBF/yr)		Level of Operation
Chilkoot Mill, Haines	50	66%
Klawock Mill, Klawock	70	63%
APC Pulp Mill	170	86%
APC Wrangell Sawmill	110	45%
KPC Pulp Mill	190	91%
KPC Ketchikan Sawmill	40	82%
KPC Annette Island Sawmill	70	80%
Seley Sawmill	10	90%
Misc. Small Mills	20	Sporadic
TOTAL	730	

Source: Draft discussion paper entitled "Structure of the Wood Products Industry 1989-1990", R10 EPB.

1994 Timber Processing Facilities in Southeast Alaska

Log Processing Capacity (MMBF/yr)		Level of Operation
Viking Lumber, Klawock	70	New ownership-under construction FY94
APC Wrangell Sawmill	110	64% in FY94, closed as of Nov 1994
Metlakatla Indian Tribe	10	Under construction in FY94
Saxman Wood Products	10	Closed most of FY94 50%
KPC Pulp Mill	190	70%
KPC Ketchikan Sawmill	40	100%
KPC Annette Island Sawmill	70	89%
Seley Sawmill	30	83%
Pacific Rim Cedar	10	60%
Misc. Small Mills	49	Sporadic
TOTAL	589	

Source: FY 1994 Timber Supply and Demand Report

Question 3a: "Please list the number of Forest Service employees on the Tongass National Forest at TTRA enactment and now. Additionally, please specify the number of biologists, engineers, and timber staff then and now. . ."

Response: The information provided below was taken from Forest Service position organization listing as of February, 1990 and 1994, respectively. The listings do not include many of our seasonal personnel who would show up in the summer months.

	Total	Biologists	Engineers	Timber
1990	759	157	109	226
1994	762	140	94	205

Question 3b: ". . .and the values per MMBF by species."

Response: Values are usually expressed in $/MBF

Average harvest value from Cut and Sold Report comparing CY 1990 with CY 1994:

Species	Calendar Year 1990 $/MBF	MMBF	Calendar Year 1994 $/MBF	MMBF
Sawlog Value				
Alaska Cedar	$515.90	25.1	$723.81	23.5
Sitka Spruce	$337.81	109.3	$346.11	45.1
Western Redcedar	$129.59	36.8	$473.98	20.5
Western Hemlock	$83.55	230.3	$20.65	112.0
Utility Log Value				
Sitka Spruce	$1.20	12.9	$287.30	9.0
Western Hemlock	$1.30	58.2	$23.71	39.0
Total Average Value	$156.52	472.6	$193.33	249.1

Value includes cost of roads.

Question 4a: "Please provide the annual expenditures of the Forest Service (Alaska Region) at the time of enactment and now."

Response: 1990 $ 88,079,393
1994 $113,325,866

Question 4b: "Also, the volumes of timber offered and sold."

Response:

Timber Offered and Sold on the Tongass (MMBF Sawlog + Utility)

	New Offer	Reoffer	Total Offer	Sold/Release
1990	385	22	407	313
1994	307	30	337	268

Source: Tongass Timber Synopsis 1980-1994, RO-TM

Question 5: "Please provide a breakdown of the Forest Service workforce, specifically, the numbers of employees in the field versus the office".

Regional Office	196
Chugach National Forest	172
Tongass National Forest	762
Total Alaska Region	1,130

It is difficult to separate field employees from office employees. All of our field personnel at one time or another perform tasks in the office, and many of our office personnel travel to the field for various tasks connected to their jobs. What we have provided is a breakdown of employees who work out of or are supervised from the Regional Office, and the remainder of the total, who work under the Tongass National Forest and/or the Chugach National Forest.

We hope we have been of assistance in providing these facts and figures. Should you need more information, we shall be happy to accommodate.

Sincerely,

PHIL JANIK
Regional Forester

MEMO

To: Governor Tony Knowles
From: Alaska Forest Association
Subject: TTRA Legislative History: Promises Made Regarding Jobs
Date: August 9, 1995

- 136 Cong. Rec. H12, 832-840 (daily ed. Oct. 26, 1990).

"I am very proud of the fact that the gentleman from California [Mr. Miller] and others in the House and Senate worked together to do some things that are going to allow the timber industry to coexist with the fishing industry and tourism . . ." H12, 839 (statement of Rep. Mrazek).

H.R. 987 is a "compromise that I think recognizes the diverse constituency around the Tongass and the multiple uses necessary in the Tongass so that all Alaskans may benefit from this legislation, from those who enjoy it to those who must make their living within the Tongass." H12, 833 (statement of Rep. Miller).

- 136 Cong. Rec. S17, 995-999 (daily ed. June 12, 1990).

The conference agreement on H.R. 987 "protects key fisheries and wildlife habitat. And, importantly, the conference agreement retains a viable, healthy timber industry." S17,996 (statement of Sen. Johnston).

- 136 Cong. Rec. S7729-S7819 (daily ed. June 12, 1990).

"On March 7, Mr. President, the Committee on Energy and Natural Resources came to a compromise solution for this, which I believe is fair to all interests, and serves well both the environment and the jobs left in Alaska." S7730 (statement of Sen. Johnston).

"This proposal sought to provide for a better balance between the commodity and noncommodity resources of the forest while protecting the local economy from economic disruption." S7730 (statement of Sen. Johnston).

"I think we reached a very reasonable compromise on this piece of legislation. . . . One would not want it to appear that somehow this legislation runs counter to the economic needs or desires of southeast Alaska." S7735 (statement of Sen. Wirth).

"I believe this is a balanced bill that will adequately protect this majestic national forest in Alaska while assuring a sustainable supply of timber for current and future needs." S7754 (statement of Sen. Bingaman).

This legislation "recognizes that some areas should be protected while others should be managed for a sustainable supply of timber." S7754 (statement of Sen. Bingaman).

- *Act to Amend the Alaska National Interest Land Conservation Act, to Designate Certain Lands in the Tongass National Forest as Wilderness, and for Other Purposes: Hearings on H.R. 987 Before the Subcomm. on Public Lands, National Parks and Forests of the Senate Comm. on Energy and Natural Resources* (pt. 3), 101st Cong., 2d Sess. (1990).

"I think it is important to state that H.R. 987 does not mean loss of Tongass timber jobs." Id. at 119 (statement of K.J. Metcalf, SEACC)..

"[N]o existing Tongass-dependent timber jobs would be lost by comprehensive legislation." Id. at 123 (statement of K.J. Metcalf, SEACC).

"We do not feel that our position is anti-logging, that logging is bad. What we are trying to get is the prudent management." Id. at 162 (statement of K. Troll, Southeast Alaska Seiners Association).

"It has never been our intention to close the pulp mills through H.R. 987, and I do not think that they would be closed." Id. at 309 (statement of K.J. Metcalf, SEACC).

Based on Forest Service figures, "SEACC believes H.R. 987 would have no impact on existing Tongass-dependent timber jobs." Id. at 348 (statement of Bart Koehler, SEACC). *

- 135 Cong. Rec. H3689-H3705 (daily ed. July 13, 1989).

"The new wilderness areas will not affect the ability to meet industry demand in the Tongass." H3684 (statement of Rep. Miller).

". . . certainly it is not the intention, my intention as the original sponsor of the Tongass Timber Reform Act, to drive the timber industry out of southeast Alaska." H3684 (statement of Rep. Mrazek).

- House Rules Committee Transcript (undated exerpt)

"The timber will still be available." Id. at 42 (statement of Rep. Miller).

"I am very much aware it is very easy to roll over the Representative from Alaska, because it is a throwaway vote for everybody else in the lower 48. This isn't about closing the mills. This isn't about locking up the timber so they can't have it. This is simply saying we ought to engage in modern practices." Id. at 50 (statement of Rep. Miller).

"The timber will be there. It will be there in almost double the amounts they have ever cut. They will have to compete for it on the open market like everybody else and take into consideration other economic things." Id. at 50 (statement of Rep. Miller).

- Senate Comm. on Energy and Natural Resources, Tongass Timber Reform Act, S. Rep. No. 261, 101st Cong., 2d Sess. (1990), *reprinted in* 1990 U.S.C.C.A.N. 6232.

". . . the Committee has adopted an amendment in the nature of a substitute to H.R. 987, which seeks to improve management of the Tongass by balancing the commodity and noncommodity resources of the forest in a manner which will not harm nor destabilize the local economy." S. Rep. No. 261, at 9.

"The designation of 23 additional areas would have a minimal impact on the local timber industry." S. Rep. No. 261, at 31 (additional views of Senators Metzenbaum and Bradley).

- *Acts to Reform the Tongass Timber Supply Fund, and to Amend the Alaska National Interest Lands Conservation Act and for Other Purposes: Hearings on S.237 and S. 346 Before the Subcomm. on Public Lands, National Parks and Forests of the Senate Comm. on Energy and Natural Resources* (pt. 2), 101st Cong. 1st Sess. (1989).

"It is not my intent to stop timber harvest on the Tongass National Forest, or to close the mills in Ketchikan and Sitka, nor do I think that will happen." Id. at 3 (statement of Sen. Wirth).

"I was struck by a number of panelists saying that if the Wirth bill passes the mills are going to close down. Is there a position in the legislation that says that the mills are going to be closed down? The answer to that is no." Id. at 66 (statement of Sen. Wirth).

"I think also it is unfortunate that some people in the timber industry said they were going to have 30 percent unemployment or 40 or 50 percent unemployment if this legislation passes." Id. at 66 (statement of Sen. Wirth).

"I just wanted for the record to point that out so everybody understands it, that there is no provision in the legislation that says that mills are going to be closed down. They will compete like other mills but there is nothing that says that they will be closed down." Id. at 66 (statement of Sen. Wirth).

"The timber industry is also an important source of renewable resource income in southeast Alaska and always will be. Our interest is not to put our friends and neighbors out of work but rather we want the Forest Service to provide adequate protection of fish rearing and spawning habitat which is critical to the survival of the fishing industry." Id. at 112 (statement of Kate Graham, UFA).

"We are not asking that the timber industry be done away with as we feel it is also important and vital to the economy of southeast Alaska but we want multiple-use protection." Id. at 115 (statement of Kay Andrew, United Southeast Alaska Gillnetters Association).

"Senate Bill 346 would not weaken the timber industry, but rather provides the best for all. The legislation provides protection for areas valuable to the wilderness recreation and visitor industry but it still provides latitude for increased timber harvest." Id. at 131 (statement of Dale Pihlman, ADFG).

"I can say that the Tongass Timber Reform Act will not effect Tongass timber dependent employment." Id. at 208 (statement of Joseph R. Mehrkens, Southeast Alaska Natural Resources Center).

"Under the Tongass Timber Reform Act there will be a sufficient timber supply to meet timber demands into the foreseeable future." Id. at 213 (statement of Joseph R. Mehrkens, Southeast Alaska Natural Resources Center).

"Senator Wirth's bill would remove fifty million board feet a year from the Tongass timber base for the protection of other forest values such as tourism, commercial fishing, and subsistence. The bill would also leave the forest products industry with 400 million board feet a year to harvest -- enough to preserve all current logging-related jobs based on past cutting levels." Id. at 410 (statement of Mark Kirchhoff, Port Alexander).

"Let me set the record straight. Yesterday, we had a number of comments saying that people's livelihood was going to be destroyed, jobs were going to be taken away, the whole economic fabric of Southeast Alaska was going to fall apart. If the mills were forced to close down, all this would turn into wilderness, and the timber industry would stop. There is no provision in the bill that says we are going to shut down the timber industry." Id. at 423 (statement of Sen. Wirth).

- *Act to Amend the Alaska National Interest Lands Conservation Act, to Designate Certain Lands in the Tongass National Forest as Wilderness, and for Other Purposes: Hearings on H.R. 987 Before the Subcomm. on Water, Power, and Offshore Energy Resources of the House Comm. on Interior and Insular Affairs*, 101st Cong., 1st Sess. (1989).

"One of the questions that has been raised relates to whether the cancellation of the long-term contracts with Alaska Pulp and Louisiana Pacific would put the pulp mills out of business. I think it is important to understand that that is certainly not my intent as primary sponsor of the legislation. Certainly there would be plenty of available timber, regardless of whether this legislation passes -- if this legislation were to pass -- available timber for use by the pulp mills." Id. at 12 (statement of Rep. Mrazek).

"Finally, I want to suggest that the questions that have been raised by the Alaska delegation, as to whether this legislation is intended to drive the timber industry out of business inside Alaska, I would like to state for the record and for the people who live in southeast Alaska that I think there can be a harmonious relationship between commercial fishing, tourism and the timber industry." Id. at 12 (statement of Rep. Mrazek).

"First let me say that we're as concerned as anyone in this room with the need to maintain a healthy economy and a stable timber industry in southeast Alaska." Id. at 22 (statement of Larry Edwards, SEACC).

"If all 22 areas in H.R. 987 are permanently protected, the legislation would reduce the scheduled timber harvest by only 11 percent. That still provides enough timber for the Tongass-dependent timber industry to continue at current levels and even to expand." Id. at 23 (statement of Larry Edwards, SEACC).

"H.R. 987 IS JOB NEUTRAL. Passage of H.R. 987 will have no effect on the number of jobs in the Tongass-dependent timber industry of southeast Alaska." Id. at 56 (statement of Larry Edwards, SEACC).

Rep. Young: "What happens if [the Sitka] mill shuts down?
Larry Edwards: "It's not going to. I mean, we're not going to affect the timber base." Id. at 77.

"The timber industry is also an important source of renewable resource income in southeast Alaska. Many of our friends and even commercial fishermen are involved in the forest products industry and we want them to be provided the opportunity to make a living." Id. at 607 (statement of Earl E. Krygler, Alaska Trollers Association).

- *Acts to Reform the Tongass Timber Supply Fund, and to Amend the Alaska National Interest Lands Conservation Act and for Other Purposes: Hearings on S. 237 and S. 346 Before the Subcomm. On Public Lands, National Parks and Forests of the Senate Comm. on Energy and Natural Resources*(pt.1), 101st Cong., 1st Sess. (1989).

Adoption of S. 346 "would not limit the ability of timber operators to purchase ample volumes of timber, to operate wood processing facilities, or to employ Alaskans." Id. at 128 (statement of Larry Edwards, SEACC).

"S. 346 IS JOB NEUTRAL. Passage of S. 346 will have no effect on the number of jobs in the Tongass-dependent timber industry in southeast Alaska." Id. at 150 (statement of Larry Edwards, SEACC).

- *Act to Require Annual Appropriations of Funds Necessary to Support Timber Management and Resource Conservation on the Tongass National Forest: Hearings on H.R. 1516 Before the Subcomm. on Energy and the Environment of the House Comm. on Interior and Insular Affairs*, 100th Cong., 1st Sess. (1987).

"I think it is fair to say that all of us are concerned about southeast Alaska and we are concerned about jobs. I certainly don't have any antitimber feelings or attitudes." Id. at 10 (statement of Rep. Mrazek).

"Personally, I am not opposed to logging. I can agree with meeting on the marketplace." Id. at 75 (statement of Ms. Kaden, Alaska Discovery Tours).

The TTRA (H.R. 1516) "would not limit the ability of timber operators to purchase ample volumes of timber, to operate wood processing facilities, or to employ Alaskans." Id. at 235 (statement of K.J. Metcalf, SEACC).

"I want to clearly emphasize that the Territorial Sportsmen are not opposed to logging and that we support sound development which enhances the economy of Alaska." Id. at 365 (statement of Jack Lentfer, Territorial Sportsmen).

"UFA believes that it is important to Southeast Alaska to have a vital timber industry there. Not only does it support the general economy of the region, but it also helps provide necessary jobs and support services." Id. at 614 (statement of Kate Graham, UFA).

"We believe that a reasonable timber harvest program on the Tongass, coupled with adequate investments in fish, wildlife and scenic resources, will build and support business ventures in

Southeast Alaska that can maintain regional employment at current levels." Id. at 675 (statement of Lonnie L. Williamson, Wildlife Management Institute).

TONGASS FACT SHEET

Forested Land

- The Tongass National Forest (Tongass) is the largest national forest in the United States. At 16.99 million acres it is three times the size of Massachusetts and covers almost the whole of Southeast Alaska.
- 10 million acres of the Tongass are forested with Sitka spruce, western hemlock and cedar. The remaining 6.9 million acres are covered by rocks, ice and muskeg.
- Of the 10 million forested acres on the Tongass, 6.4 million qualify as commercial forest land, capable of growing at least twenty cubic feet of wood per acre per year.
- The biological potential yield of the Tongass, the amount of timber that could be harvested annually without exceeding the forest's annual growth rate, is much higher -- averaging 1.295 billion board feet per year.
- Since 1909, only 500,000 acres of the Tongass have ever been harvested. 93% of all Tongass old growth remains standing today.
- Much of the Tongass is unavailable for timber harvesting. Only 2.32 million acres (14% of the forest) are considered tentatively suitable for timber harvest. Some 1.7 million of those acres are included in the U.S. Forest Service's long-term harvest plan, allowing such areas to be harvested over the next 100 to 150 years.
- The remaining 86% of the forest is reserved for non-timber purposes, including 6.3 million acres of wilderness.

Tongass Timber Reform Act

- Congress added 1 million acres of wilderness as recently as 1990 with the Tongass Timber Reform Act (TTRA).
- Even with TTRA, however, Congress left 1.7 million acres in the timber base to support Southeast Alaska's timber industry, an industry responsible for 4,225 year-round jobs and a payroll of $138,921,271 in 1990. Combined federal payroll, personal and corporate income taxes generated by the Southeast timber industry yield over $70 million a year to the U.S. Treasury.
- Recent administrative action by the Forest Service has reduced the timber base even below the Congressionally designated level of 1.7 million acres. Though there are no threatened or endangered species on the Tongass, 602,000 acres of the timber base have been "reserved" for habitat conservation areas where no timber harvesting is allowed.

Timber Contracts

- The Tongass timber industry was once stabilized by two long-term, 50-year pulp mill contracts which the Forest Service solicited in the 1950s. The contracts were for a reliable timber supply sufficient to justify the massive capital investments required to build pulp mills in Alaska.
- The contract with the Ketchikan Pulp Company (KPC) remains in force. If not extended, KPC's contract expires in 2004. Not only does KPC generate more than 38% of total employment in Southeast Alaska, it also seeks to harvest sustainably without harming other forest values. Over the past five years KPC has invested more than $45 million in EPA-approved air and water quality controls and the company recently unveiled a $200 million plan to improve pollution prevention and energy efficiency.
- The other contract, with the Alaska Pulp Company (APC), was unilaterally terminated by the Clinton Administration in 1994, 17 years before the contract was set to expire. The wrongful termination of the APC contract has exposed the federal government to a $1 billion breach of contract damage claim and thrown thousands out of work.

Clearcutting, Wildlife and Planning

- Although controversial, clearcutting is the optimum method for harvesting timber on the Tongass. Clearcutting exposes soil to the sun, raising its temperature and thereby speeding up organic decomposition and improving soil productivity. Healthy stands of Sitka spruce regenerate more quickly in open sites with disturbed soils. Clearcutting also aids in controlling pests like dwarf mistletoe while minimizing windthrow and logging damage to residual trees.
- The health of the Tongass ecosystem is evidence that current forestry practices are sound. The commercial fish harvest in the waters of Southeast Alaska has increased from a low of less than 6 million salmon in 1975 to a record 76 million salmon in 1994. Of the 2,600 salmon streams on the Tongass only 20 are experiencing reduced fish runs. Four of these streams are in areas where logging has occurred, 10 are in wilderness areas.
- Wildlife populations are also on the rise. In 1993 Alaskans took 13,000 deer from the Tongass -- an increase of 3,700 over 1991.
- From an annual average of about 400 million board feet (MMBF), the Tongass timber harvest has been declining for several years due to delayed and unreleased offerings. The Forest Service schedules offerings under the Tongass Land Management Plan (TLMP) which guides the management of the forest for a 10 to 15-year period before being revised. The first TLMP was completed in 1979 and the Forest Service began working on a revision in 1987. Nearly 10 years later the revision is still underway.
- A draft of the revised TLMP was completed in 1991 which satisfied the timber supply requirements of the Tongass Timber Reform Act. The Regional Forester's preferred "Alternative P" would have provided an annual harvest level of 418 MMBF for 10 years. The draft plan was shelved after the 1992 elections brought new administrators to the Forest Service who decided to start the revision over. The most recent (1996) supplement to the revision proposes an annual harvest of 297 MMBF -- only about 20% of the forest's sustainable yield.

Timber Employment

- Employment in the Alaska timber industry has dropped from 4,225 in 1990 to 2,396 in 1995, and the number of timber processing facilities has gone from 730 in 1990 to 427 in 1995. At the same time, the Forest Service has added 69 new permanent employees to the Tongass and increased its budget -- from $88,079,393 in 1990 to $107,549,100 in 1995.
- These changes are not market driven. In 1990, an Alaska Cedar sawlog was worth $515.90 per thousand board feet ($/MBF). In 1995 it was worth $685.38 $/MBF. Over the next 15 years (1996-2010) the demand for sawlogs is projected to increase by 55%.
- Analysts predict that recreation, fishing and tourism employment levels will remain constant -- even if timber harvesting were to be increased beyond current levels.

ALASKANS ARE THE BEST STEWARDS OF ALASKA LANDS AND RESOURCES

HON. DON YOUNG
OF ALASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 18, 1996

Mr. YOUNG of Alaska. Mr. Speaker, I want to bring the attention of my colleagues to a guest opinion that appeared in the June issue of Resource Review. It is by Jake Adams, an Inupiat Eskimo who is both a whaling captain and president of the Arctic Slope Regional Corp. He makes the important point that Alaskans are the best stewards of Alaska lands and resources, not the political leaders and activists who live here in Washington, DC. The text of his opinion follows my remarks. Just as Eskimo self-regulation under the Alaska Eskimo Whaling Commission has suc-ceeded in protecting both the Bowhead Whale and the communities that depend on the whale for subsistence, I believe that the resources of the Tongass National Forest will be best managed by the State of Alaska, as I propose in H.R. 2413. Time and time again Alaskans have proven their ability to manage their resources responsibly, an accomplishment, as Mr. Adams points out, that Washington, DC, cannot claim. I hope that my colleagues will read the wise words of Mr. Adams. [From the Resource Review, June 1996]

ALASKA—A PLACE THAT WORKS (By Jacob Adams)

Compared to the rest of the nation, Alaskans enjoy a relatively untouched, pristine environment. This fact has led some people who have mismanaged their own environment and communities to view Alaska as a public museum; a place they want to control and preserve, untouched and suspended in time. This, of course, does not work well for those of us who live in Alaska, have families to support, communities to nurture and shareholders' economic interests to protect and advance. Yet, many Alaskans often find that they are forced to be major actors in contentious national debates over the use of public lands and resources and, in some cases, even their own private lands and resources.

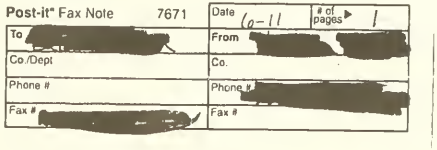
It is a shame that many political leaders and activists who live and work in the middle of the poverty, crime and hopelessness of Washington, D.C.,—a city that does not work—are determined to second-guess so much of what we Alaskans do and aspire for. Alaska, after all, is a place that works. We educate our children. We meet our people's needs. We protect our fish and wildlife. We believe in the work ethic. And we take care of our poor and disadvantaged. Profit is not a dirty word in Alaska. Free enterprise works here. It is part of a proud American tradition that produces income, jobs and tax revenue. It improves the quality of people's lives. But, it can also be a hard task master. Those of us who live on the North Slope have seen some successes and a fair share of failures. One success story that continues today is the Alaska Eskimo Whaling Commission (AEWC). In the late 1970s, the International Whaling Commission, elements of the federal government and animal rights activists pushed hard to terminate my people's traditional subsistence hunts for the Bowhead Whale. We fought those efforts. We proposed a system of Eskimo "self-regulation" through AEWC. Who better to protect the species and regulate the hunt than the people whose subsistence and culture is at stake? We were successful. Today, the whales, our people and our culture are thriving. And we did it by ourselves. Self-regulation by the parties who stand to lose or gain is a concept which should be used more by the state and federal governments. But, we have also seen some failures. ASRC and its shareholders—working with the State, RDC, Arctic Power and our Congressional Delegation, have tried very hard since 1987 to open the small, oil rich Coastal Plain area of ANWR to oil and gas leasing. We own 92,160 acres of Coastal Plain land in the huge 19 million acre Arctic National Wildlife Refuge. But we are denied the benefits of our resources. We are prohibited by federal law from producing and using oil or natural gas on our privately-owned lands in ANWR at the village of Kaktovik. Instead, the federal government's action means that we must import fuel oil to heat village homes and generate electricity. Yet, Kaktovik sits on the nation's best prospect for major new oil and gas reserves. We have been fighting this issue for nine years. We may have to fight for nine or ten more. Lifting the Alaska oil export ban took 22 years. We will continue to push to open the Coastal Plain because it is the right thing to do. Alaskans are the best stewards of our land, our environment and our fish and wildlife resources. We should be major participants in discussions about our future. We do not need the failed landlords of Washington to dictate their policies of failure to us and our children. My people have seen ups and we have seen downs. But we do not dwell on short-term reverses or disappointments. In the long run, rational thought and the laws of economics will prevail. The fundamental changes taking place in Russia, our neighbors to the west, were not conceivable ten years ago. Alaskans need to have staying power. We are in this for the long run.

Jacob Adams is the President of the Arctic Slope Regional Corporation, a member of the North Slope Borough Assembly and a whaling captain in Barrow. Jake also serves on the Board of Directors for RDC.

Timber Industry Wages

	1990	1991	1992	1993	1994	1995
Alaska	$156,314,686	$139,963,076	$136,451,097	$137,104,120	$116,894,018	$120,409,976
Southeast AK	$138,921,271	$121,001,302	$120,753,040	$115,974,347	$94,686,702	$94,841,073

Source: Alaska Department of Labor, Research and Analysis



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